

The Weather
New York City and vicinity: Fair with little
change in temperature. High near 80. Mod-
erate northwest winds. Yesterday's tempera-
ture range to 9 p.m.: High 78; low, 63.

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German Election

Adenauer Seems Likely
Winner But May Miss
Parliamentary Majority

NATO's Future May Hinge
On Chancellor's Showing;
Age Is His Big Obstacle

Mr. Maier May Hold a Key

By KENNETH MILLER
Staff Reporter of The Wall Street Journal

BONN—We wish to remain in N.A.T.O. together with the free people of the West under the leadership of the United States.

Over the radio the other evening the words came slowly, in quiet German; the voice was authoritative, reassuring, almost hypnotic. "He sounds like a 50-year-old," exclaimed a foreign diplomat, marveling, as most folks do, at 81-year-old Konrad Adenauer, chancellor of Germany and chief of the ruling Christian Democratic Union, who's currently ranging the country in an American-style campaign train, hurling abuse at his Socialist party opposition, and plying soothing words to the public in weekly radio chats.

Otogenarian Adenauer is fighting for a comfortable C.D.U. majority in parliament—and thus a third four-year term for himself—in the September 15 elections. Follies and political observers here believe his party clearly is in the lead—but as the recent Canadian election upset showed, no election can be counted in the bag until the votes are in. Even if Adenauer's party wins more votes than the Socialists, a close election could deny the C.D.U. a parliamentary majority, forcing it to accommodate its policies to the views of smaller parties holding the balance of power.

Much more than the political fortunes of a doughty old warrior are at stake. On the Adenauer wish "to remain in N.A.T.O." and to push forward with German rearmament is based most of America's cold war strategy in Europe.

Germany's importance to N.A.T.O. defenses is growing, as Britain retrenches and France struggles with the Algerian uprising. U.S. diplomats are not only unabashed in their support for Dr. Adenauer but are prepared to argue earnestly that nothing less than N.A.T.O.'s future and, by implication, American security ride on the chancellor's shoulders.

"Unity, Freedom, Peace"

To see their point, pause on the jam-packed sidewalk by the dirty brick railroad station in this crowded small town turned capital and observe the bright election posters on a billboard newly erected in a bombed-out lot. "Unity, Freedom, Peace—Clearly C.D.U.," says a placard in the national gold, red and black colors of the Adenauer forces. The out-of-office Social Democratic Party poster proclaims "S.P.D.U. Means No Conscription."

The obvious implication U.S. authorities read from this and many other indicators is that the Socialists, if they came to power, would try to pull Germany out of N.A.T.O., abandon rearmament and embrace neutrality in an effort to coax the Russians to give up the eastern chunk of Germany now under Communist sway.

Plump, amiable Socialist party boss Erich Ollenhauer, a mere strapping of 56 on this political scene, has lately been avowing that the Socialists "would never tear up" the N.A.T.O. treaty. He hastens to add that neither would he negotiate directly with the East Germans on reunification or pull out of N.A.T.O. without approval of the Western powers.

Despite these protestations, Western observers here foresee plenty of trouble for N.A.T.O. if the Socialists win. Moreover, American admiration for Adenauer is ill disguised. Thus a Socialist victory would almost certainly make relations sticky, at least at the start.

American businessmen also find the possibility of a switch from the C.D.U.'s moderate free enterprise system to vague Socialist nationalization policies so alarming that a measurable slowdown is reported in the number of American outfits setting up factories in booming Germany.

Flood of Deals

U. S.-German industrial collaboration has been rising steadily in a flood of not only new American plants here but many new licensing arrangements exchanging American technical assistance for royalties. "There are no figures to measure this recent movement of American capital to Germany," says a banker in Frankfurt, "but it shows signs of tapering off a bit—most businessmen I talk to seem to prefer holding back until after election day just in case the Socialists come in with a lot of radical policies."

If Americans are wrought up about next month's vote here, it should be noted that Germans apparently are not. Local political reporters confide their editors order them to "keep it short"; public meetings draw only the party faithful and the only sign of deep feeling so far was a small riot touched off by flat-swinging Socialist students who broke up a Munich rally featuring Adenauer's controversial young defense Minister Franz Josef Strauss.

What's News—

Business and Finance

STOCKS REBOUNDED vigorously from Monday's bad break—the sharpest in nearly two years. Brokers attributed the rally to technical considerations. Selling which had persisted up to Monday's close came to a halt after the first hour of trading on the New York Stock Exchange yesterday.

Buying orders then poured in at a rate that forced the tape three minutes behind floor transactions. A second burst of demand in the fourth hour helped swell the day's turnover to 2,700,000 shares, from 2,040,000 Monday. Dow-Jones industrials closed at 483.86, up 4.91 points, or 1.02%. Rails advanced 1.12 points, or 0.80%, to 141.47.

United Steelworkers' officials argued the big steel companies would still be reaping substantial profits even if they had reduced prices last month instead of raising them. Testifying before the inquiry into the steel price situation being conducted by Chairman Kefauver's Senate Judiciary subcommittee, union spokesmen denied industry assertions that wage increases were responsible for the price rise.

Copper stockpiles of the British government will be reduced an additional 27,000 tons. But officials said none of this metal will be offered for sale before October, and the disposal rate will not exceed 2,700 tons a month. Britain's previous such sale, involving 36,000 tons, got under way last October.

The Senate Finance Committee voted to adopt the Administration's plan providing for increases in import duties on lead and zinc as domestic prices of the metals decline. Last week, the committee had favored outright boosts in the levies. Despite the legislators' acceptance of the Administration's proposal, prospects for final Congressional action on lead-zinc tariffs this session continue poor.

Oil companies' pleas for increases in their assigned quotas of crude oil imports will be taken up "as soon as possible" after Labor Day, the Interior Department disclosed. Of the 22 concerns assigned quotas under President Eisenhower's program for limiting oil imports, seven have applied for revisions "to correct inequities." Another four contend they will need upward adjustments in the near future.

Canada's dollar extended its advance into record territory in relation to its U. S. counterpart. Reflecting strong demand and short supplies, the Dominion unit climbed above \$1.06 at New York. Prior to the current advance, the highest price it had ever reached was \$1.056 in November, 1953. Steadily increasing U. S. and European investment in Canadian securities is the basic factor in the recent upsurge.

Agriculture Secretary Benson said he was more convinced than ever that his proposals for lower farm price supports and less rigid plant controls were "on the right track." Back from seven weeks in the farm country, Mr. Benson told newsmen he would offer a broad program to Congress next January for promoting agricultural prosperity. He gave no details other than saying it would be aimed at "further expanding markets for farm goods at home and abroad."

Westinghouse Electric Co. is recalling an additional 500 employees of its Mansfield, Ohio, plant following the return to work of around 100 last week. Officials attributed the action to a "noticeable pickup in the appliance lines and the schedule for 1958 major appliances, which have just gone into production." By September 9, the labor force at the Mansfield plant, which laid off 1,000 workers early this year, will total about 4,700.

Company Notes—American Viscose Corp.—Raised prices two cents a pound on regular rayon staple and one cent on fine denier staple. The increases were ascribed to higher labor, raw material and freight costs.

Philco Corp.—Announced it has received a contract from the Argentine Air Force for micro-wave communication equipment.

Markets—Stocks—Volume 2,700,000 shares. Dow-Jones industrials 483.86, up 1.02%; rails 141.47, up 0.80%; utilities 67.77, up 0.09%. London—Financial Times common share index 197.2, off 1.5. Bonds—Volume 4,300,000. Dow-Jones 40 bonds 85.28, unchanged; high grade rails 83.80, off 0.09; speculative rails 83.40, up 0.17; utilities 83.90, up 0.04; industrials 88.29, off 0.13. Commodities—Dow-Jones futures index 157.84, off 0.41; spot index 161.40, off 0.15.

World-Wide

HOFFA TESTIFIED he has borrowed \$120,000, including union funds, since 1952. The Teamsters Union vice president told the Senate rackets investigation he got the money from individuals—some of them subordinates in the union—from Local 299 in Detroit and from Harold L. Mark, a Detroit real estate dealer. Mark had just borrowed the money from Local 237 in Detroit.

Hoffa said he still owes "about \$70,000." He added the loans—most of them without interest and without collateral—were invested in such things as a resort and girls' camp, a Detroit brewery, a Dakota firm trading in oil leases, an obscure boxer and a horse-betting arrangement. He said most of the investments turned pretty sour except for the betting system.

Hoffa, prospective president of the Teamsters, answered most questions freely. The committee did not delve into charges he enlisted the help of Johnny Dio and other hoodlums to extend his union control to the New York area.

In earlier testimony, Hoffa said he has no idea of forming a single nationwide union of all types of transportation. Saying he favors a loose-knit advisory group of present separate unions, the witness claimed he was recently misquoted about his views.

Hoffa's airily admitted he had been arrested "about 17 times," mostly when he was young, but he denied he ever extorted money from companies he dealt with as a union official. Committee counsel Robert F. Kennedy mentioned a grand jury once charged Hoffa with extortion in the collection of money from grocers, but that he returned \$7,500 as a result of the case. Hoffa remarked: "I really think it was more than that."

Hoffa also denied he set up, or ran, a business concern from which his wife and a friend of hers made a handsome profit in dealing with a firm for which he had settled a strike.

SYRIA ASKED the U. N. to look at charges of U. S. interference in Syria.

The Arab nation instructed its U. N. delegation to call the attention of the Security Council to "a serious threat to Middle East peace" stemming from an alleged American plot against the Syrian regime. But a spokesman said Syria did not demand any specific action.

In Washington, the State Department rejected a Syrian charge that the U. S. is trying to destroy Arab independence, declaring American policy is "just the opposite of that."

Relations between the U. S. and Syria have deteriorated since Damascus accused this nation of plotting to oust President Karam. The charge coincided with a coup d'etat which placed pro-Soviet officers in charge of Syria's army.

Syria's new army chief of staff, Maj. Gen. Ali H. Haddad, charged the U. S. had planned to send "made-in-America" gangsters to assassinate him and other top officials in a plot to overthrow the Syrian government.

Baghdad Radio reported Syria's military attaché in Jordan, Omad Alkubani, has resigned in protest against leftist developments in the Damascus government.

Hopes for a speedy adjournment of Congress were dashed as leaders fought over the stalemate civil rights bill. House Speaker Rayburn said "we've got to get some Republican help" to dislodge the measure from the House Rules Committee. House G.O.P. leader Martin said he is willing to compromise to get a stronger bill, but that he won't accept a Rayburn-backed move to accept a limited version of the Senate's broad jury trial rider.

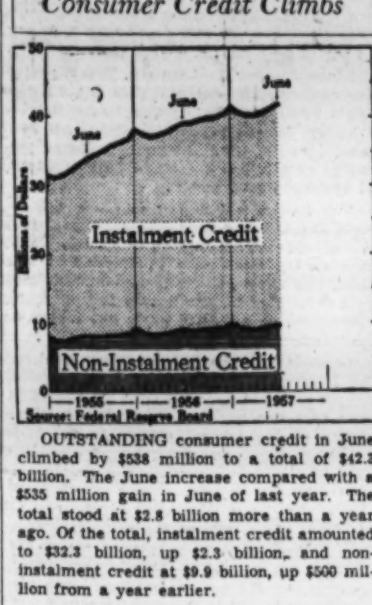
The U. N. Security Council refused to consider Arab charges that Britain threatened Middle East peace by military intervention in Oman. Russia supported the accusations and pressed for council action against Britain. Voting to take up the complaint were the U.S.S.R., Iraq, Sweden and The Philippines; against were Britain, France, Australia, Cuba and Colombia. The U. S. abstained.

Senate Democrats heaped new troubles on the President's foreign aid bill. Sen. Byrd (D., Va.) said he hoped the Appropriations Committee would cut the measure "still more" than the \$310 million House slash. Democratic leader Johnson claimed the Administration has a backlog of \$12 billion available for overseas aid, but G.O.P. chieflain Knowland disputed his statement.

The House passed and sent to the White House legislation paving the way for U. S. participation in the international atomic force agency. The compromise bill retains a Senate provision giving Congress authority to limit U. S. contributions of uranium.

A Federal judge appointed James B. Donovan, ex-general counsel of the wartime Office of Strategic Services, as defense counsel for accused Russian spy Rudolf Ivanovich Abel. The Brooklyn Bar Association had recommended Donovan.

Consumer Credit Climbs



OUTSTANDING consumer credit in June climbed by \$538 million to a total of \$42.3 billion. The June increase compared with a \$535 million gain in June of last year. The total stood at \$2.8 billion more than a year ago. Of the total, instalment credit amounted to \$32.3 billion, up \$2.3 billion, and non-instalment credit at \$9.9 billion, up \$500 million from a year earlier.

Monsanto Laying Out \$250,000 to Switch 110 Engineers to St. Louis

It Helps Vend Old Homes, Take Care of the Grass, Provides Tips on Mortgages and Taxes

By FRED STANNARD, JR.
By a WALL STREET JOURNAL Staff Reporter

ST. LOUIS—This month Monsanto Chemical Co. is completing the largest mass move of personnel in the company's history: A switch to St. Louis of 110 research engineers in its Inorganic Chemicals Division who had been in Everett, Mass., near Boston, and in Dayton, Ohio.

For most of them, the change in work site meant no increase in pay, but except for the effect of getting housing in the St. Louis area, which is considered to be higher priced than some spots they came from, the household budgets received hardly a dent.

Monsanto's aim of a "no-cost move" is an example of a trend among corporations these days toward minimizing the strain on a family's cash of traipsing to a job in another city.

Formerly, Just the Moving Van

In year-year a family move from one city to another generally meant a step up the corporate ladder and a compensating salary boost for the transferred breadwinner. Normally, the employer footed the bill for the moving van, but the employee had to pick up the tab for other expenses and, in some cases, take a loss on the sale of his home.

For Monsanto the family moving bill came to something around \$250,000. In return the company has been able to consolidate under one roof its Inorganic Chemicals Division research department and, despite the move, keep its staff of researchers and specialists almost intact.

To Tom Dolan, a New England reared chemical engineer, and his wife Ann, the actual move from Boston to St. Louis "worked out just swell."

Says Mr. Dolan, stretched comfortably in an overstuffed chair in his new brick home in a St. Louis suburb, "I figure it cost Monsanto around \$2,500 to move us out here and I'm quite happy." He has one complaint, however: "Service people are slow in St. Louis. It took us quite a while to get appliance repair, telephone and drapery work done."

Besides the normal moving expenses for the Dolans, Monsanto paid \$45 for refitting the Dolan's draperies to their new home, paid \$10-a-day for a practical nurse to watch over their three children while Ann Dolan came to St. Louis to house hunt last February, shipped the Dolan car to St. Louis while the family came by air, and maintained the old Dolan home, including grass cutting and replacing a broken window, while the house was up for sale.

Tax Report

A Special Summary and Forecast of Federal and State Tax Developments

EMPLOYEE BENEFIT plans are adopted in increasing numbers. The Internal Revenue Service has approved some 4,130 profit-sharing plans and 6,500 pension or annuity programs in the last two fiscal years. That's more than a fourth of the 40,000 benefit plans which qualified for special tax treatment since 1942. More than 1,500 were okayed in the quarter ended June 30, 1957, alone. Plans currently in effect cover an estimated ten million persons.

Under a qualified employee plan, income from investments is tax-exempt. The employer can take a deduction at the time he contributes to the fund, while the employee's tax liability doesn't begin until he starts to receive payments. To qualify for such tax treatment, a plan must not discriminate in favor of executives or highly paid employees.

Fewer than 1% of the plans being submitted to the I.R.S. wind up being rejected, the Service boasts. No figures are available, however, for the number of times a plan may be kicked back to the applying concerns until it's drafted in acceptable form.

COLORADO'S BUDGET gets an unexpected boost from inheritance taxes. Collections from the death levy rose to a record \$4.5 million in the fiscal period ended last June 30, up 11% over the year before and more than 100% over 1951—enough to keep the state showing a surplus, say officials. Most Western states, of course, have found it tough going to finance the population growth many have experienced since the war.

One reason why Colorado may be faring differently than some of the others is an influx of wealthy retired folks into the state, especially in the vicinity of some of the mountain beauty spots. Property valuations also have trebled in 10 years. The average taxable estate last year was nearly \$80,000 against \$45,000 in 1951.

COMMUNITY ANTENNA service charges are no longer subject to communications tax. The Revenue Service so ruled after revoking a string of earlier rulings, bringing its stand in line with recent decisions of the Third and Fourth Circuit Courts of Appeal. Until now, television set owners whose units were wired to a central receiving antenna have had to pay a 6% excise tax on the wire and equipment service.

The ruling affects subscribers in some 200 cities and towns, located mainly in such mountainous states as Pennsylvania, West Virginia and California, who depend on the community-wide systems to pick up broadcast signals. TV viewers, besides not having to pay the tax, are now entitled to refunds of prior payments; under the law, the claims may be filed by the antenna companies, who in turn will reimburse their customers.

Although closed-circuit subscription television has some of the earmarks of community antenna service, a present I.R.S. ruling denies tax exemption to pay-as-you-see TV. A spokesman indicates the Service is not likely at present to change its mind about this, too.

BETWEEN THE LINES: When a corporation puts up buildings on property leased from persons owning stock in the company, the cost of the improvements should be depreciated over the useful life of the structures, even if the stated or renewal term of the lease is shorter than the expected span of the improvements, the I.R.S. ruled. Under such circumstances, said the Service, it's reasonable to assume the lease will be renewed by the tenant beyond the stated term.

TREES STRICKEN by "Dutch elm" or other diseases don't entitle property owners to a deductible casualty loss, the Revenue Service reminded. To be allowed, a loss has to result from a "sudden destructive force," such as fire, storm, flood, hurricane or similar event.

ELECTRICITY used by an Iowa cold storage concern for freezing foodstuffs was employed in processing property and hence exempt from the state's 2% sales tax, said the Iowa Supreme Court. Electricity used in storing the food after freezing was not exempt.

REAL ESTATE taxes generally vary in relation to market value, instead of reflecting more or less arbitrary assessments, as some people believe, says a study made by the University of Michigan survey research center. The study found that the national average annual rate of residential taxation is 1 1/2% of market value, compared with some estimates running as high as 3%.

CAPITAL GAINS treatment on sales of subdivided real estate is further restricted. The 1954 tax law for the first time expressly permitted individuals to apply lower capital gains rates on sales of property which they themselves subdivided. Before then, subdivision activities were often construed as dealing in real estate, thus making subdivision sales taxable at ordinary income tax rates. Under the new code, however, taxpayers can qualify for capital gains only if they meet certain conditions, such as owning the property at least five years and not making "substantial" improvements to the land if they hold it less than 10 years before selling it off.

These and other restrictions were spelled out by the Revenue Service in proposed regulations issued a year ago, but the final regulations just out go further in clamping down. A key provision in the draft regulations, for example, said at least part of the profits from some sales of real estate would be eligible for capital gains if improvements to the property didn't increase its value more than 20%.

The final rules say the improvements can't boost the value more than 10%.

STATE BRIEFS: The New Hampshire Legislature boosted the state gasoline tax another penny to six cents a gallon. A new Illinois law exempts railroad terminals and related facilities from property taxes. Utah now allows seven cents a mile for car expenses in figuring income tax deductions, instead of six cents.

Rough Sailing

Hot Competition Sends Shipping Fees Skidding For Tramps, Tankers

Many Owners Accept Losses To Avoid Ship Lay-Ups; More Vessels Than Loads

Rate Drop Pares Oil Price

By DAVE JONES
Staff Reporter of The Wall Street Journal

NEW YORK—A 34-year-old vice president of one of this city's many shipping concerns lost his company at least \$15,000 the other day by calmly, confidently signing a contract.

The youthful executive isn't lacking in business acumen; he knew what he was doing, though his action does take a bit of explaining. The contract committed one of his company's Liberty ships to carry 10,000 tons of sugar across 10,500 miles of ocean from Santos, Brazil, to Casablanca, Morocco. There's absolutely no chance of a profit on the haul. In fact, the loss could climb as high as \$30,000 if the company is unlucky and expenses run high. The reason for all this: Shipping rates have tumbled to the lowest levels since 1954, forcing many ship owners to operate at a loss to avoid even more costly lay-ups of vessels. Numerous sure-loss contracts have been signed in recent weeks.

Good News for Consumers

The sag in shipping rates could be good news for consumers in this country and abroad. Lower transportation costs could cut prices of a wide variety of products. Already, Esso Standard Oil Co. and a number of other concerns have reduced heating oil prices by five to eleven cents a barrel because of the decline in ocean tanker rates. Costs of coffee, rubber and other imported commodities may drop in coming months.

But it's a far less cheerful story for "tramp" shipping firms whose vessels free-lance far flung ports in search of odd cargoes. Also facing trouble are such major companies as American Export Lines and American President Lines which recently chartered extra ships. Such concerns will suffer substantial losses on many hauls this fall unless shipping rates improve—a development that's doubted by most shipping executives.

"The present rates are far below the breakeven point for American flag ships," states J. C. Anderson, white-haired executive secretary of the American Tramp Shipowners Assn., Inc. A pair of examples show what he's talking about.

The rate for hauling 10,000 tons of coal from a U. S. port on the North Atlantic to Europe now is about \$4.20 a ton. But a U. S. flag ship, paying among other things, American seamen's wages, needs at least \$10.50 a ton on that voyage just to break even, Mr. Anderson notes. Even foreign flag ships, with their lower costs, need about \$6.60 a ton to make ends meet. A single such voyage for a 10,000-ton American flag ship can pile up losses of more than \$64,000.

Losses on Oil

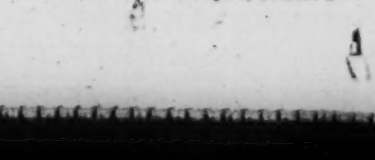
Though U. S. and foreign flag tankers seldom compete directly on a port-to-port basis, they're both plagued by low rates for hauling oil. A foreign operated T-2 tanker carrying 15,500 tons of oil from the Caribbean to an American North Atlantic port needs about \$1.90 a ton to break even; this trade now brings about \$1.21 a ton. A U. S. flag T-2 running from the Gulf Coast to a North Atlantic port gets out of the red ink at about \$2.70 a ton. The current rate is around \$1.65. (The term "flag," incidentally, tells where a ship is registered and whose laws she operates under, not where she's owned. A number of U. S.-owned vessels operate under foreign registry because of lower taxes and other costs.)

There are a number of reasons for declining shipping rates, but most of them go back one way or another to last fall's invasion of Egypt and the subsequent blocking of the Suez Canal.

With the canal out of commission, there weren't enough vessels, especially tankers, for the long haul around Africa. Shipping rates soared. A number of U. S. companies, hoping to take advantage of the inflated rates, rushed to charter vessels in the U. S. reserve fleet, mostly Liberty and Victory freighters built in World War II and now tied up in rivers and bays. But when the canal opened again shipping routes were shortened—in effect, enlarging the size of the world fleet—and these vessels weren't needed. Furthermore, nations nervous about another Suez tie-up stockpiled oil and dry cargo. This, plus a mild winter and good spring harvest in Europe that further reduced demand for imported oil, coal and grain, meant fewer cargoes to haul.

U. S. ship owners have been further hurt by the long delay in passing a foreign aid bill and the prospective reduction in aid spending. By law, half of all foreign aid shipments must go overseas in U. S. vessels, but these cargoes haven't materialized, and probably will be smaller than anticipated.

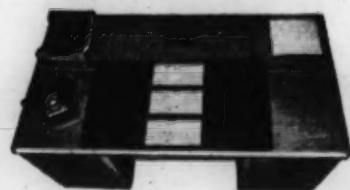
All of this has meant an increased number of ships competing for a decreased amount of cargo. As a result, shipping rates, as shown on the chart below, have been dropping since the beginning of the year. The graph, prepared by Merrill Lynch, Pierce, Fenner & Beane, compares world-wide tanker rates with a base line of 100 representing the standard



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Congress May Remain in Session Until Mid-September
As Snags Develop Over Civil Rights, Foreign Aid Bills

Smith Stymies House, Won't
Clear Rights Measure; Aid
Bill Faces Fight in Senate

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Congressional leaders yesterday abandoned plans for adjournment this weekend as snags over civil rights and foreign aid funds threatened to keep the lawmakers in session until mid-September.

Time-consuming parliamentary maneuvers to dislodge Senate-passed civil rights legislation from the House Rules Committee were in prospect after Democratic leaders failed yesterday to persuade committee Chairman Smith (D., Va.) to release the measure for floor action.

In the Senate, majority and minority leaders skirmished over foreign aid funds, which the House had cut substantially from the amount President Eisenhower is requesting. Majority Leader Johnson (D., Texas) declared the Administration had plenty of money for the aid program and demanded specific testimony to back up any restoration of \$510 million the House cut. Minority Leader Knowland (R., Calif.) immediately disputed Mr. Johnson's statement that there is now \$12 billion available for the program. A lengthy floor fight was shaping up after the Senate Appropriations Committee acts on the House-passed measure.

White House Gets Bills

Despite the adjournment-delaying conflicts over civil rights and foreign aid, both the House and Senate yesterday sent a fistful of bills to the White House for final approval. There were these developments:

The House and Senate passed a \$352 million atomic energy construction bill directing the Government to build five civilian nuclear power reactors and make design studies of two more. The compromise measure would permit the Atomic Energy Commission to negotiate with the Consumers Public Power District of Nebraska to construct still another atomic power reactor.

The House approved, sending to the White House, a \$1.2 billion military construction authorization bill, about \$200 million below the budget request.

Lower chamber lawmakers also approved and forwarded to the President a compromise measure providing for U. S. participation in the International Atomic Energy Organization.

The Senate Finance Committee voted to approve the Administration's proposal for a sliding scale of higher tariffs on lead and zinc imports. However, the author of the House bill to which the Senate committee attached the lead-zinc proposal as an amendment called on the House to reject his bill when it comes back from the Senate.

The Senate began debate but put off until today a final vote on a compromise bill designed to exempt from the antitrust laws certain railroad practices in contracting with the Government for reduced rates for transporting military personnel. Senate Commerce Committee Chairman Magnuson (D., Wash.) promised the Senate his panel would make an extensive investigation of this entire subject early next year. He said passage of the compromise bill was needed to save the Government the loss of substantial sums of money that would result if the railroads had to abandon their rate negotiating practices at present.

While final settlement of the foreign aid money matter promised to hold up adjournment beyond next weekend, the civil rights squabble appeared likely to stretch out the session to mid-September.

The main reason for the change in outlook was the inability of House Democratic leaders to persuade Rules Committee Chairman Smith to cooperate in getting an early House vote on the Senate-passed civil rights bill. Mr. Smith has repeatedly stated his desire to block any civil rights bill, but Democratic leaders had somehow hoped to persuade him to let the Rules Committee meet and set the stage for House floor action, despite his opposition.

Now they are convinced Mr. Smith will use every means at his disposal to delay Rules Committee action. This means the leaders have to resort to difficult and time-consuming parliamentary devices to get around his opposition.

Northern Democrats on the Rules Committee have started in motion a maneuver to force the Rules Committee meeting, but still must get the aid of some Republican members of

the Rules Committee before that maneuver can be completely successful. The Republicans, obviously enjoying the Democratic difficulties, are giving every indication of playing hard to get in supplying support for this maneuver to by-pass Mr. Smith.

The combination of Mr. Smith's opposition and the Republican strategy means the House Democratic leaders still have quite a way to go before they can get a floor vote.

House Speaker Rayburn (D., Texas) yesterday reaffirmed his determination to get a civil rights bill passed before Congress quits, but admitted he was pessimistic about how soon this might be. Sen. Knowland predicted yesterday an adjournment might be delayed until sometime next month.

The foreign aid money measure will not come to the Senate floor until early next week according to Sen. Saltonstall (R., Mass.) chairman of the Conference of Republican Senators, who figured Congress would not adjourn until September 15. The Senate Appropriations Committee, he said, will likely finish work on the measure by tomorrow or Friday.

Officials from the Defense Department and the International Cooperation Administration are scheduled to appear before the appropriations unit this morning to answer questions largely on the amount of foreign aid funds left unspent from past years that could still be used for the mutual security program in the current fiscal year.

Mr. Saltonstall said he and Sen. Dirksen (R., Ill.), deputy G.O.P. Senate leader, would offer a host of amendments to the House-passed foreign aid bill to boost the total funds provided, but did not say just how much they would seek to add to the House measure.

After visiting with President Eisenhower yesterday, Sen. Knowland reported the Chief Executive was "quite hopeful" the Senate will vote more foreign aid money than the House. But Republican moves to boost these funds closer to the \$4 billion the President wants in new and re-appropriated money faces fairly strong Democratic opposition.

Byrd Asks Further Cuts

While Democratic Leader Johnson called for more evidence additional money was needed over the \$3.2 billion the House had voted, Senate Finance Committee Chairman Byrd (D., Va.) urged the Senate Appropriations panel to cut the aid bill even deeper than the House.

Specifically, Mr. Byrd called on the Appropriations Committee to eliminate all money for the Administration's economic development loan fund, for which the House granted \$300 million of a \$500 million request. He charged

Esterbrook Pen May
Sell Issue to Public If
New Product Sells Well

By a WALL STREET JOURNAL Staff Reporter

MERCHANTVILLE, N. J.—Esterbrook Pen Co. might go to the public for expansion funds if a new product it introduced here "catches fire," Sidney E. Longmaid, president, said.

Mr. Longmaid made this observation here at a press conference at which he introduced the Safari, the company's new fountain pen. He indicated, however, that sales of the new pen would have to double the firm's current sales before it would go to the public market for money. Esterbrook is a privately held company.

"If the public really likes it, we may find that we have to expand our facilities considerably and we would have to go to the public for money, possibly through an offering of common stock," he said.

The new pen has a double ink cartridge, Mr. Longmaid said at the conference. He also called for the formation of a "Congress" of small and medium sized businessmen to combat what he termed a threat to their "right of survival." He said the group would be made up of presidents of small independent firms and its purpose would be to act as a "sound-board" to diagnose and discuss problems of small business. Some of these, he said, are high costs of financing, high research and development costs and the difficulty of attracting skilled engineers, executives and technicians.

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Southern Natural Gas Co.

WASHINGTON—Southern Natural Gas Co., Birmingham, Ala., asked the Federal Power Commission for authority to increase its wholesale natural gas rates by \$18.5 million, or 33.1-3%, a year.

The company said it wanted to make the higher rates effective September 14. They

would affect 95 Southern natural customers in Mississippi, Alabama, Georgia, and South Carolina.

The higher rates are needed, the company declared, to enable it to meet increases in the cost of purchased gas. The concern also said it wants to boost its rate to return to 6.8% from the present 6%.

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Senators Hear Hoffa Borrowed \$120,000, Mostly Interest Free, From Union Aides, Locals, Employers

Committee Indicates Teamster Official's Wife Picked Up \$125,000 Leasing Trucks

By WALL STREET JOURNAL Staff Reporter
WASHINGTON — Senate investigators dug into James R. Hoffa's personal affairs and uncovered details of \$120,000 in loans from his Teamster Union subordinates, local unions and employers.

The gauntlet of grilling of the cocky little Teamster vice president ranged from his police record to scrutiny of his investments and business dealings.

The special Senate investigating committee was clearly out to show a conflict of interest between the Teamster vice president's private and union affairs. It brought out that the \$120,000 in loans were mostly interest free, without collateral and with no notes.

The panel's other evidence suggested the free-talking truck union official used his union power to help set up his wife and the wife of an associate in a truck leasing business which netted them \$125,000 in a few years on an initial cash investment of \$4,000.

Hint of a Threat
There was also a hint of a threat to a bank official by Mr. Hoffa to get a loan for a friend — who then loaned the money to Mr. Hoffa.

From the first day's testimony, little emerged that seemed likely to knock the truck union leader from his position as front runner to succeed Dave Beck as president of the union when Mr. Beck steps down this fall. But the Senators aren't through. Mr. Hoffa is slated to come back today for further detailed questioning — including his alleged tie-up with racketeers in an effort to gain control of New York Teamster operations.

He is also scheduled for another session before the committee sometime next month before he stands for election.

The outcome of his campaign to succeed Mr. Beck depends in a large part of his showing before the committee. While he can't do himself much good at the sessions, there is plenty at stake if the committee does him harm.

Dropping Businesses, He Says
The revelations of his business enterprises, which he says he is getting rid of in line with A.F.L.-C.I.O. "conflict of interest" bans, and his loans, which he has yet to explain fully, make it more likely than ever the Teamsters are headed out of the Federation if Mr. Hoffa is elected president.

The Teamster Union vice president began his long-awaited committee appearance with a smile, but quickly turned grim under the needling questioning of Committee Counsel Robert Kennedy. At the end of the day, the answers had become short and snappish. He clearly regarded Mr. Kennedy as the man who is out to "get" him. He frequently lashed out in his replies to the counsel, but was carefully respectful and well-mannered when answering Senators.

In contrast to Mr. Beck, who took the Fifth Amendment hundreds of times before the committee, the Detroit truck union chief talked freely, prompting Sen. Ives (R., N.Y.) to comment: "You're a good witness. I may disagree with you on a lot of things, but I think you're honest."

Mr. Hoffa clearly showed the pressure of questioning on the subject of his personal loans. His answers became almost sing-song in their repetition as he clipped them out without any expression on his face. As to why he didn't sign any notes for them, he explained that his friends "got highly indignant" when he mentioned the signing of a note.

Mr. Hoffa said he wasn't sure specifically what he did with the money borrowed but conceded some of the funds—largely interest-free—might have gone into personal investments.

Still Owed: \$70,000
He told the committee he still owed about \$70,000 to Teamsters and personal friends. These were some of the transactions the investigators focused on:

Two loans from a Detroit Bank to realtor Henry Lower, who in turn loaned Mr. Hoffa \$25,000. Notations by bank officials on Mr. Lower's loan applications, the committee charged, indicated Mr. Hoffa may have threatened to withdraw Teamster accounts with the bank unless the loans were granted.

A \$25,000 loan from Mr. Hoffa's Local 299 to accountant Harold Mark, who promptly loaned the money to Mr. Hoffa. The Teamster vice president would not confirm for sure the investigators' charge that he told union members the local's loan to Mr. Mark actually wound up in Mr. Hoffa's pocket.

Mr. Hoffa's option to buy an interest in Mr. Lower's Sun Valley Enterprises, a concern selling lots near Orlando, Fla. That was endorsed by Detroit Teamster groups. Mr. Hoffa said he never told Teamster officials of his interest in the company.

Investments by the Teamster leader in a host of enterprises, including a prize fighter, a trotting track and a girls' resort camp, in partnership with people who helped management negotiate contracts with the Teamsters or wrote insurance for Teamster unions.

On one of Mr. Lower's loan applications to a Detroit bank, Mr. Kennedy said, was the bank manager's notation "only if pressure is applied from the union." At first, Mr. Hoffa claimed "I certainly never said I would exert any pressure—at least to the best of my recollection," but he refused under questioning by Sen. Mundt (R., S.D.) to deny categorically any such pressure.

An Ad Is Described
A second loan application by Mr. Lower, according to Mr. Kennedy, carried a note saying the bank had already lost one Teamster account and might lose another unless it "played along" with the union. The Senate investigators, however, did not probe deeply into this notation.

Mr. Kennedy did read in detail, though, an ad in Teamster publications by Mr. Lower's Sun Valley Enterprises billing the Orlando properties as the "Teamster model city of tomorrow" and claiming the site was endorsed by the Detroit Teamster Council. Mr. Hoffa told the committee he had an option to buy an interest in the company but said he has not exercised that option.

Mr. Hoffa, who is head of the Detroit Teamster Council, said three union business agents were sent to Florida at the union's expense to appraise the property. Under question-

ing by Mr. Kennedy, Mr. Hoffa said he did not tell the business agents he had any interest in Sun Valley Enterprises. "Why should I?" he said, "it was my private and personal business."

The Teamster leader was also questioned closely about a \$25,000 loan by Local 229 to his friend Harold Mark, who then turned the money back over to Mr. Hoffa. Mr. Hoffa didn't borrow the money directly, he said, because Mr. Mark could put up better security for the funds than he could.

Sen. Curtis (R., Neb.) asked if Mr. Hoffa told Local 229, of which he is president, that Mr. Mark turned the \$25,000 over to him. "I generally report such things to the union," the Teamster official answered, "but I don't know for sure. If I missed it, I will be glad to make a report at our next meeting in September."

Mr. Kennedy asked him whether he had told a staff investigator earlier that loans he was now listing as unpaid had actually been paid.

"We never discussed it," he snapped. Mr. Kennedy turned to the staff investigator, Carmine Bellino, and Mr. Hoffa said, "Just a moment, we did discuss it."

"You said you had paid back those loans," Mr. Bellino said. Mr. Hoffa replied flatly: "I said no such a thing."

After going over Mr. Hoffa's borrowing activities in detail, the committee turned to his investments. Mr. Hoffa conceded two of these—in a Detroit brewery and a realty firm—also involved Carney Mathieson, who is an adviser to a trucking association group that negotiates contracts for management with many Teamster locals.

Two other of Mr. Hoffa's investments, the committee said, were in a Wisconsin girls' resort camp and a concern that bought and sold oil leases in the Dakotas. Other major investors in these outfits were Paul Dorfman and his son, Allen, who wrote insurance contracts for a large number of Teamster unions, according to the evidence.

Mr. Hoffa also had money invested, along with Bert Brennan, a Teamster lieutenant of his, in an Ohio harness track and in a Detroit prize fighter, the committee said. The union official also told them he and Mr. Brennan had been making "about \$5,000 to \$10,000" a year betting on horses.

The Teamster leader appeared at his best expounding his philosophy on whether there should be a single super union for all transportation unions and whether unions should be subject to the antitrust laws. He said he was "misquoted" in reports that he wanted to set up such a union.

Misquoted, He Says
New York Sen. Ives kicked off this phase of questioning when he asked Mr. Hoffa about his statement that the coming trend was big labor and big business and there was "no room for small business and small labor." Mr. Hoffa again said he was misquoted. But when Mr. Ives said the report must have been "roughly true," the witness replied: "Senator, you must meet conditions as you find them to protect your members."

Mr. Ives said it also had been reported: "you will try to effect a merger" of all transportation unions.

The Teamster officer asserted that "due to the lack of knowledge of labor unions" by newsmen, he had been misquoted. But he

added: "I do believe that the transportation unions are going to have to form a council to exchange ideas and . . . quit competing with each other on wages and fringe benefits." But he said this would be a "loose knit" council.

"You realize what could happen," Mr. Ives declared, "you could tie up all the U. S. in a strike. It bothers me no end." Mr. Hoffa replied that such a strike "would be impractical . . . Any attempt to have a strike of that proportion would be brought before Congress."

He added there would be "no danger" in such a council of transportation unions "unless some irresponsible person gets to be head of the organization." Mr. Hoffa said "labor leaders do not judge whether there is to be a strike," that this is the job of the membership and in the Teamsters Union it is done by secret ballot of the members. But he conceded the leadership does not submit an issue to a vote unless it is sure of winning.

"Why shouldn't workers have the same rights as employers" to join an association to further their aims? he asked Mr. Ives.

Opposed to Monopoly, Says Ives
"I'm no more in favor of monopoly in one place than in another," Mr. Ives retorted sharply. "I'm plainly opposed to monopoly and that's what you are talking about."

But Mr. Hoffa replied: "I'm not trying to organize one big union."

Sen. Goldwater (R., Ark.) said he thought that even if the wrong man did not get control of a super transportation union or council, it still could be used to tie up all transportation.

He asked the witness if he thought it would be wise to put all unions under the antitrust laws.

"I do not," Mr. Hoffa replied. He said there is a big difference between workers banding together to better their conditions and corporations joining together to control a market. Then, leveling his gaze at Mr. Goldwater, he said:

"I have a letter here that a group of employers in your home state are trying to destroy the Teamsters."

"My state, Arizona?" the Senator asked with some surprise.

"Excuse me," Mr. Hoffa said. "I confused you with Sen. Curtis."

Mr. Goldwater warned sternly that if one union got control of all transportation, "Con-

gress might react in a more violent way" than labor would like to see.

Sen. Mundt asked whether Mr. Hoffa thought there ought to be some law to require responsibility of union leaders, but Mr. Hoffa would only agree to the extent that "where there is power, there should be responsibility" on the part of unions.

The Detroit Teamster chief strode into the crowded Senate caucus room with handshakes all around for members of the press he recognized. He told photographers to "take all the pictures you want now, but don't bother me on the stand."

In the witness chair, Mr. Hoffa described his occupation as "business representative and vice president of the Teamsters." He started his testimony by reading a telegram to Chairman McClellan (D., Ark.) in which he asked the right to "amend or revise my testimony where accuracy requires it" later. The union official said he further reserved the right "to refuse to answer any questions which relate to matters outside the scope of the committee's authority."

Arrests Brought Up
Shortly after the session started, Counsel Kennedy took the offensive with questions on whether Mr. Hoffa had been arrested a number of times.

"That's correct," the witness said. "I don't know how many, I haven't counted. Please Turn to Page 8, Column 2

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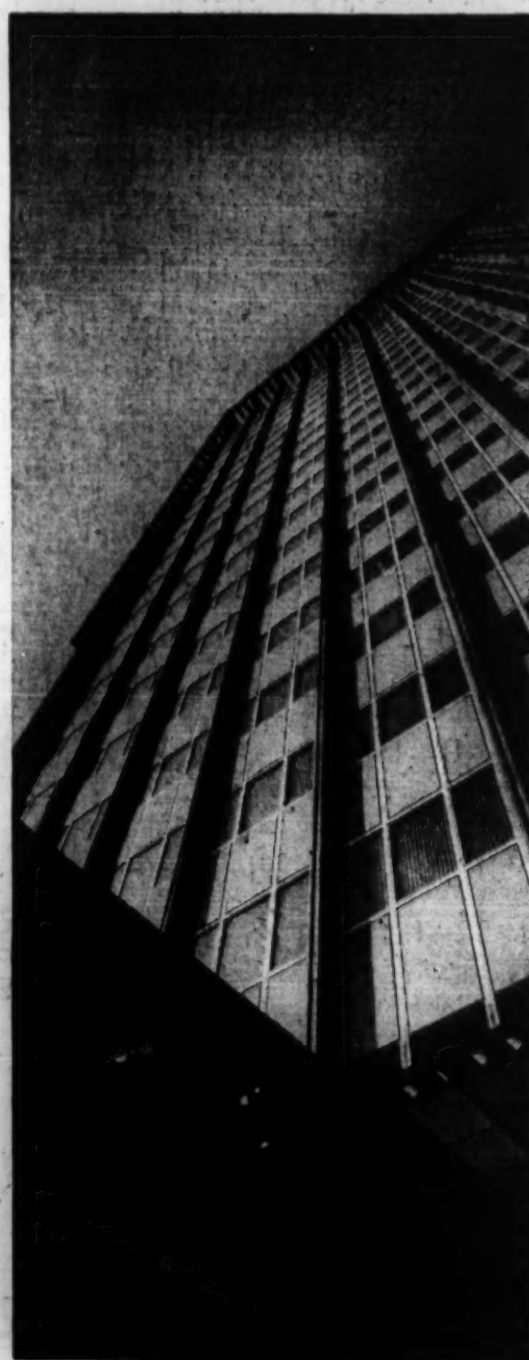
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Business Milestones

United Fruit Acquires Rights to Seek Oil On Panama West Coast

By a WALL STREET JOURNAL Staff Reporter
BOSTON — United Fruit Co. is going to search for oil.

The big banana firm during the past week contracted to acquire the rights to a concession granted by the Republic of Panama to explore for petroleum over an area of more than one million acres.

The step was disclosed in a letter to shareholders by Kenneth H. Redmond, president of United.

Mr. Redmond did not divulge details of the transaction in the letter. He did say when asked, however, that there was a "nominal" cash consideration involved and that three former owners of the concession each retained overriding royalties of 1 1/2% on any oil or gas that would be produced.

He said "management realizes the risk factor inherent in the search for any natural resources. The decision to move into this new activity was made after considerable study and expert advice."

The concession is situated in the Province of Chiriqui on the Pacific Coast of Panama, where United Fruit has been doing business for many years and where some of the company's finest banana plantations are located, United said.

Rochester, N. Y., Store Board Backs Stock Sale To Associated Dry Goods

By a WALL STREET JOURNAL Staff Reporter
ROCHESTER, N. Y. — Directors of Sibley, Lindsay & Curr Co., Rochester department store concern, have recommended that shareholders accept Associated Dry Goods Corp.'s offer to purchase all of Sibley's common stock.

The offering price is \$40 a share. Sibley's has 253,084 shares outstanding, which would indicate a total purchase price of \$10,123,360.

The proposal must be approved by Sibley shareholders, but no meeting date has been named yet, E. E. Krogh, Sibley's president, said.

Robert J. McKim, president of Associated Dry Goods, said Sibley would be operated as an autonomous division of the department store group and all of the present officers and employees would remain with the company if the transaction is completed.

Sibley's operates a department store in Rochester and is presently building four branch stores in the area. In addition, Associated would acquire Sibley's controlling interest in the Erie Dry Goods Co., an Erie, Pa., department store.

For its fiscal year ended January 31, Sibley's reported net sales of \$30,877,876 and net income of \$851,475, or \$2.37 a share. Associated operates department stores in eight major cities and 14 suburban communities coast to coast. It reported net sales of \$223,736,397 and net income of \$6,762,857, or \$3.92 a share, for the fiscal year ended February 3.

H. Daroff & Sons Buys Control of Broadstreet's, Clothing Chain, for Cash

NEW YORK — H. Daroff & Sons, Inc., large Philadelphia men's clothing manufacturer, has purchased for cash the control of Broadstreet's, Inc., New York and Chicago chain of men's specialty stores, Michael Daroff, president of the clothing firm, said. Mr. Daroff declined to tell how much he paid.

The Daroff organization, a wholly-owned family corporation with an annual volume of about \$30 million, reportedly bought "virtually all" of Broadstreet's stock.

Broadstreet's operates six stores in New York, one in Hempstead, L. I., and two in Chicago. Ralph Schneider will continue as president, Mr. Daroff said. Mr. Daroff said Broadstreet's will sell Daroff's Gort-McLeod brand of men's clothing. But, he added, the newly acquired chain will not carry his other two brands, Botany 500 and Worsted-Tex, which are sold through other retail outlets throughout the country.

McGraw-Edison to Acquire Assets of Racine, Wis., Firm

CHICAGO — McGraw-Edison Co. has contracted to acquire all the assets of Allover Manufacturing Co., Racine, Wis., on October 31.

McGraw-Edison, which makes electrical ap-

List Industries Unit Buys 100,000 Kayser Shares From Former President

NEW YORK — Gera Corp., a subsidiary of List Industries Corp., has purchased A. Phillip Goldsmith's holdings in Julius Kayser & Co., maker of women's hosiery, underwear and gloves.

Dudley G. Layman, vice president and treasurer of List and an officer of Gera Corp., said Gera acquired "slightly less than 100,000 shares" from Mr. Goldsmith, who resigned over the weekend as president of Kayser. Mr. Layman would not disclose the price paid for the Kayser shares, but said the amount "was substantially less" than the \$1,500,000 figure that Mr. Goldsmith reportedly received for his stock.

"There are no plans at the moment to enter into the management or the board of Kayser," Mr. Layman said. He described the purchase as "an investment—that's all."

Gera Corp. is engaged in textile finishing and real estate and makes electronic products. Its parent, List Industries, is the former RKO Industries Corp., which operates a chain of movie theatres. One List Industries director, A. Louis Oresman, New York accountant, is also a director of Julius Kayser & Co.

There are just under 765,000 Kayser common shares outstanding. As of September 17, 1956, Hamilton Textile Mills, Inc., owned 23.5% of Kayser's outstanding common stock and Goldsmith Enterprises, Inc., held 11.7% of the shares.

pliances, would issue about 14,400 of its common shares for Allover's assets, less liabilities. At yesterday's closing price, this would be equivalent to about \$368,000. An inventory is now being taken at Allover's Racine and Burlington, Wis., plants now to determine the exact number of shares. Allover employs about 120. H. E. Meltzer, founder of Allover 39 years ago and now president, plans to retire in the near future.

Allover makes home electric hair clippers, hair dryers, vibrators and hand and foot massage machines and will continue to turn out essentially the same line of products, said a McGraw-Edison spokesman.

Flintkote Holders Approve Kosmos Portland Acquisition

BOSTON — Stockholders of Flintkote Co. at a special meeting approved the proposed acquisition of Kosmos Portland Cement Co. of Louisville, Ky. Shareholders of the closely-held Kosmos company had previously approved the transaction.

The merger is scheduled to be completed tomorrow through an exchange of stock and Kosmos will become a wholly-owned subsidiary of Flintkote.

Servomechanisms Buys Firm

NEW YORK — Servomechanisms, Inc., announced it had acquired "certain assets" of Silver Plastics Corp. of El Segundo, Calif., designers and manufacturers of electromechanical control equipment and components for plane and missile applications. Servomechanisms also has facilities in Los Angeles. No details of the transaction were disclosed.

Servomechanisms said the acquisition has added a new technology concerned with evaporation techniques for the deposit of metals on electronic components.

Ryder System Acquisitions

MIAMI — Ryder System, Inc., purchased three truck leasing companies, adding 887 vehicles to the 7,000 now operated by its leasing divisions.

All three acquisitions were made for cash totaling \$1,575,000. They are: Lincoln Truck Rental Co., Buffalo and Syracuse, N. Y., for \$795,000; Monumental Truck Rental, Baltimore, for \$545,000; and Barnett Truck Leasing Co., Detroit, for \$235,000.

Union Carbide Unit Plant

NEW YORK — Union Carbide Corp. announced plans to build a petrochemicals plant in Fawley, England, for the manufacture of ethylene oxide derivatives. The plant's output will go to Union Carbide, Ltd., British affiliate of Union Carbide. Fawley is near Southampton.

Court Bars Tomlinson From Calling Special Loew's Board Meeting

By a WALL STREET JOURNAL Staff Reporter

WILMINGTON, Del. — Joseph Tomlinson, a director and leader of the dissident faction accused of seeking to gain control of Loew's, Inc., was restrained from calling a special meeting of the movie-maker's board by the Court of Chancery here.

Chancellor Collins J. Seitz granted the order on behalf of Joseph R. Vogel, Loew's president, who said Mr. Tomlinson had requested the Loew's secretary to call a special meeting of the board August 28.

Chancellor Seitz ordered that Mr. Tomlinson be restrained from calling a special meeting of the board until further order of the court. The judge said the order is designed to maintain the "status quo" until after a hearing scheduled for tomorrow.

The court also ordered that all parties involved in a suit, filed here by Mr. Tomlinson in an effort to declare valid the election of Louis B. Mayer and Samuel Briskin to the Loew's board, appear at tomorrow's hearing. Chancellor Seitz said this hearing will be held to argue motions from both sides for summary judgment—one asking validation of Messrs. Mayer and Briskin as directors, the other requesting that their election be declared invalid.

The two were elected at a rump session of Loew's board on July 30, attended by five board members, all considered to be in the Tomlinson faction. Mr. Vogel has opposed the election of Messrs. Mayer and Briskin, and asked that the court find against all other actions taken at the July 30 meeting.

The Delaware court so far has told Mr. Vogel he cannot spend company funds to solicit proxies for a special stockholders' meeting. Mr. Vogel scheduled for September 12 to vote on ousting Mr. Tomlinson and an associate from the board, among other things. A New York county court has also issued a temporary stay preventing the Tomlinson group from interfering with the September 12 meeting.

Western Electric to Build \$20,000,000 Kansas City Unit

KANSAS CITY, Mo. — The Western Electric Co., Inc., manufacturing arm of the American Telephone & Telegraph Co., plans to build a \$20,000,000 plant employing between 3,500 and 4,000 workers on some 250 acres of land located 15 miles southeast of this city.

Construction on the plant will begin early next year, and when it gets into full production in 1961 it will turn out about 2,000,000 phones a year plus a variety of electronic components for the nationwide Bell System.

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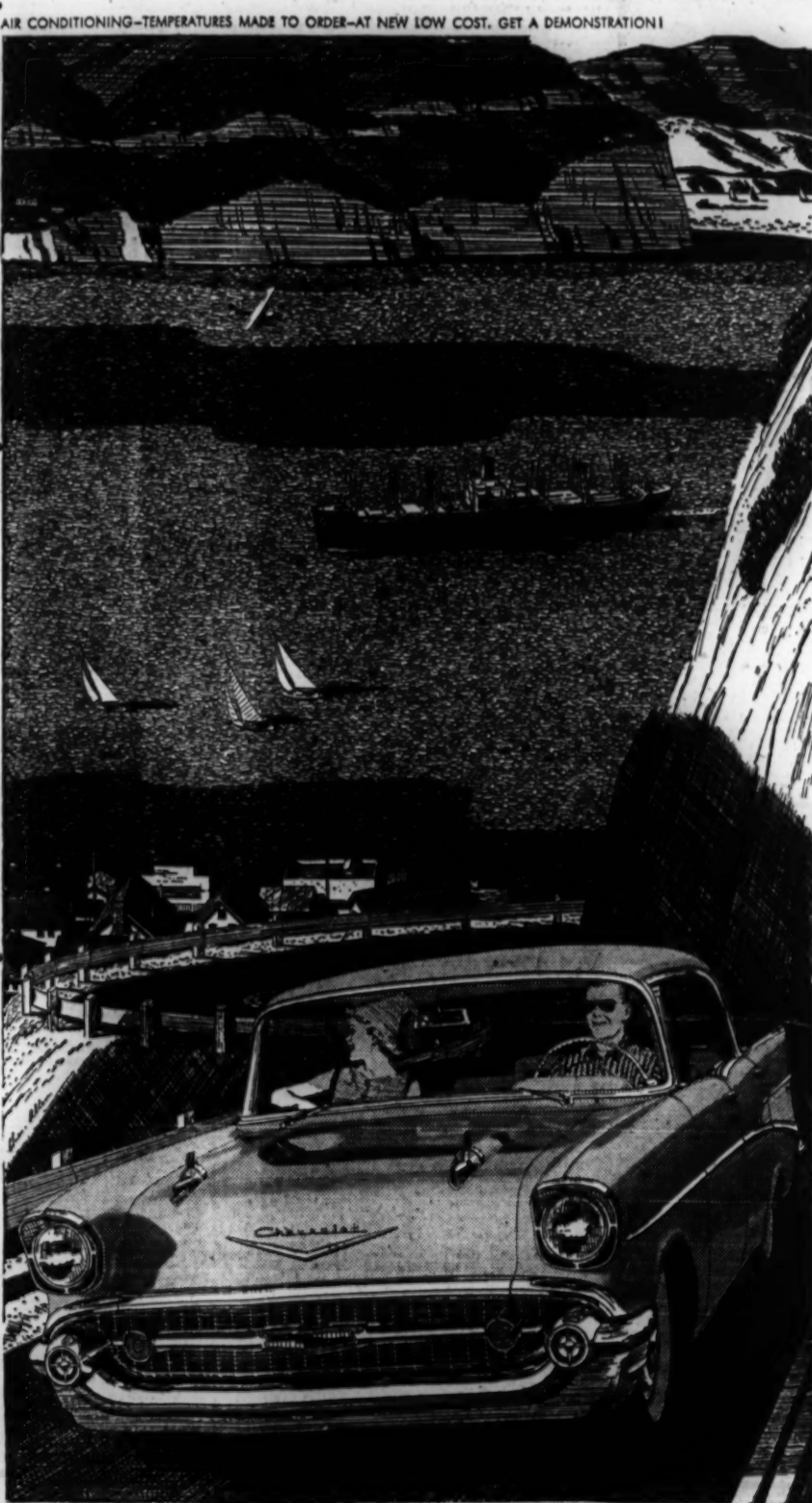
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Tax Anticipation Notes Sold

NEW YORK—Tax anticipation notes totaling \$35,000,000 were sold by New York City to 20 banks and trust companies at a net interest

charge of 3 1/4%. The notes, \$10,000,000 of which are dated August 21 and \$25,000,000 dated August 28, are payable November 4, 1957 and are callable 10 days earlier.

Washington at Work

Congress

Atomic: The House and Senate approved, sending to the White House, a compromise bill providing for Government construction of five civilian power reactors and design studies of two more reactors.

Wheat: The Senate approved and sent to the White House a compromise bill (S. 959) to allow farmers to plant up to 30 acres of wheat outside of acreage restrictions provided the crop is used for seed, feed or food on the farm.

Food-Drug: The Senate passed and sent to the White House a bill (H.R. 6456) to allow the export of goods condemned by the Food and Drug Administration after they were allowed to enter the United States.

Shipping: The Senate passed and sent to the White House a bill (H. J. Res. 370) to extend for one year the Government's authority to sell two war-built vessels for use on shipping routes between the U. S. North Atlantic ports and Cuba and Mexico.

Minimum Wage: The Senate approved a bill (H.R. 7458) to exempt workers in foreign countries from coverage under the Federal minimum wage law and to eliminate the possibility of retroactive coverage for work performed on bases in certain U. S. territories. The bill differs slightly from the original House-passed measure.

Atomic Agency: The House approved and sent to the White House a compromise bill providing for U. S. participation in the international atomic energy agency.

Peanuts: Members of a House Agriculture subcommittee generally took the position during a hearing that the Agriculture Department should give a higher dollar and cents support price on the 1957 peanut crop than the department has announced. They gave their views as peanut growers attacked and department officials defended the department's stand.

Steel: Spokesmen for the United Steelworkers of America (A.F.L.-C.I.O.), testifying before a Senate Judiciary subcommittee, denied union wage boosts had anything to do with an increase in the price of steel last month. They said steel companies could have cut prices and still make big profits.

Turkeys: A House Agriculture subcommittee heard spokesmen for various groups of turkey growers present proposals for dealing with excess turkey production.

Great Lakes Shipyards: The House passed and sent to the White House a bill (S. 534) to authorize Federal subsidies for construction of ocean-going vessels at Great Lakes shipyards for the first time.

Small Boats: The Senate went along with House amendments to a bill (S. 1866) that would delay until June 1, 1958 from January 1, 1958, the effective date of a bill passed by Congress last year to require inspection and certification of small passenger boats. The measure now goes to the White House.

Fish: A House Merchant Marine subcommittee approved a bill for a Federal research project on possible commercial fish production on idle rice ponds.

Postal Rates: Horace H. Nahn, president of the Association of First Class Mailers, testified before the Senate Post Office Committee in opposition to a proposed first-class mail rate increase, and spokesmen for the Magazine Publishers Association opposed proposed second-class mail increases.

Maritime: Maritime Administrator Clarence Morse opposed a bill (S. 1488) before a Senate Commerce subcommittee that would impose tight restrictions on transfer of U. S. flag merchant vessels to foreign owners.

Railroad Accounting: The House Government Operations Committee called on the Interstate Commerce Commission to order a change in railroad accounting procedures that

would have the effect of reducing the carriers' reported income. The change involves setting up a reserve for taxes deferred until later years as a result of fast amortization for tax purposes on some facilities.

Billboards: The Senate Public Works Committee discussed but put off until today action on legislation aimed at curbing billboards along the interstate highway system.

Railroad Antitrust: The Senate began debate but put off until today a final vote on a bill designed to exempt from the antitrust laws certain railroad practices in contracting with the Government for reduced rates for transporting military personnel.

Advertising Samples: The Senate passed and sent to the White House a bill (H.R. 9924) for duty free importation of advertising materials and samples of imported merchandise.

Imports: The Senate approved a bill (H.R. 2842) for duty-free imports of certain tanning extracts, after adding an amendment to suspend for three years the three-cent-a-pound processing tax on coconut oil imports.

Social Security: The Senate passed a bill (H.R. 892) to extend the time for ministers to come under the Federal social security system and three bills (H.R. 8753, 8821 and 8755) to extend social security coverage to certain state and local government employees. All but (H.R. 8821) had amendments and require further House action. (H.R. 8821) now goes to the White House.

Bureaus

Gadsby: Edward N. Gadsby was sworn in as chairman of the Securities and Exchange Commission.

Oil Imports: Hearings on oil-importing com-

panies' pleas for boosts in their assigned quotas on crude oil imports will start shortly after Labor Day, the Interior Department announced.

Imports: The Commerce Department said June imports totaled \$982.6 million, down 11% from May and 5% from a year earlier. This figure is approximately the same as an earlier preliminary estimate by the department.



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General Mills Plans Extensive Expansion Program in Fiscal '58

By a WALL STREET JOURNAL Staff Reporter

MINNEAPOLIS—General Mills, Inc., which spent over \$16.7 million on plant expansion and modernization in the fiscal year ended May 31, will make another substantial improvement in its facilities this year, Charles H. Bell, president, said at the annual meeting.

Without stating the amount to be spent, Mr. Bell listed these plans by the firm:

Opening of a guar plant in Pakistan around September 1 (guar is a bean that is milled into powder and used to make such things as ink, printing paper, food and uranium processing materials); increased capacity at its cereal plants, with the company also seriously studying construction of a new cereal plant in the Midwest; enlargement of chemical facilities; modernization of feed manufacturing facilities; installation of new flour-handling equipment at Buffalo, N. Y.; expansion of research facilities at its mechanical division here; new equipment for its refrigerated biscuit operation at Dallas, St. Louis and Charlotte, S. C., with two new plant sites also being considered.

In response to questions by Harry Brey, New York City, who said he represented Lewis D. Gilbert, a minority stockholder, Mr. Bell and other officials said a strike at the firm's Kankakee, Ill., chemical plant last year had cost the company about \$1 million in earnings before taxes.

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Who's News

Personnel Notes—
Management—American Cyanamid
Names Towe Chairman,
Malcolm President

NEW YORK—Dr. Wilbur G. Malcolm has been elected president of American Cyanamid Co., succeeding Kenneth C. Towe, who has been named to the newly-created post of chairman of the board. Kenneth H. Kipstein, a vice president, has been elected a director.

Mr. Towe joined Cyanamid in 1926 and became president in January, 1952. Prior to that he had been treasurer and vice president in charge of finance.

Dr. Malcolm, who has been vice president for marketing, has a long record of research and administration in the company's Lederle Laboratories division. He joined Lederle in 1934 as a bacteriologist and in 1938 became its executive director. In 1946 he became vice president of Cyanamid and continued as general manager of Lederle. He played an important role in the development of Lederle of the antibiotic drugs, Aureomycin and Tetracycline, cyclins.

Commerce and Industry

Hearst Corp. (New York)—James S. Swan was named publisher of Cosmopolitan magazine.

Diamond Alkali Co. (Cleveland)—A. H. Ingley, vice president—manufacturing and a director was elected to the new post of senior vice president. James A. Hughes, was named vice president—administration, also a new post and Donald S. Carmichael, secretary, was named to the additional post of general counsel. R. H. Armor, assistant treasurer, will succeed Mr. Hughes as treasurer.

Trans World Airlines (New York)—Pierre G. Desautels was named vice president in charge of passenger service. He succeeds John H. Clemson, who will undertake special assignments for the company's president, Carter L. Burgess.

Utah Southern Oil Co. (Salt Lake City)—John E. Rouse was elected president. George Hansen, former president, was elected to the new position of chairman of the board. George T. Hansen, Jr., was named vice president in charge of operations.

Wick Chemical Co. (New York)—Marion W. Smith was named vice chairman of the board. Pittsburgh Screw & Bolt Corp. (Pittsburgh)—William H. Rea, president of Oliver Tyrope Corp., was elected a director.

General Cigar Co., Inc. (New York)—Francis J. McKenna, secretary and treasurer, was elected a director.

Nuclear Development Corp. of America (White Plains, N. Y.)—Peter Spillotis, formerly assistant to the controller of Vertol Aircraft Co., was named controller.

Continental Electric Equipment Co. (Cincinnati)—James J. Flynn was named vice president of this maker of electrical distribution equipment.

Globe Wireless, Ltd. (San Francisco)—William H. Phillips, vice president, was chosen a

director of this communications company. He succeeds the late Gen. Walter P. Boatwright. Minute Maid Corp. (New York)—Howard D. Brundage, an associate with J. H. Whitney & Co. and assistant to the president of Minute Maid, was elected a director of this producer of frozen fruit juice concentrate.

Ekco Products Co. (Chicago)—Benson Littman was promoted to vice president of all industrial divisions, a new post. Thomas A. Dillon was named vice president of bakery operations and H. W. Gillespie was elected bakery sales vice president. Mr. Dillon continues as president of Ekco Engineering Co., a subsidiary. Mr. Gillespie will continue as president of National Glaco Chemical Corp., another subsidiary.

Bowser, Inc. (Chicago)—S. Louis Mastorgi was named executive vice president of Gude-man Co., a subsidiary which manufactures capacitors and other electrical components. Mr. Mastorgi will continue as president of Eagle Lock & Screw Co., another subsidiary.

W. T. Grant Co. (New York)—Howard E. Eades and Herbert T. Wilkinson were elected vice presidents of this retail variety store chain.

Timken Roller Bearing Co. (Canton, Ohio)—Dwight A. Bessmer was named executive vice president.

Finance

Eastern Life Insurance Co. of New York—Herbert R. Silverman, executive vice president of James Talcott, Inc., was elected a director.

Hogge Investment Co. (New York)—G. Kenneth Handley, a vice president of Hanover Bank of New York, will join Hogge in September at its Salt Lake City, Utah, office.

Dime Savings Bank of Brooklyn (Brooklyn, N. Y.)—Robert W. P. Morse was promoted to vice president from assistant vice president. Charles H. Miller and Karl A. Stad were named assistant vice presidents.

Serial Federal Savings & Loan Association (New York)—William E. Ford, vice president of Manufacturers Trust Co., was elected a director.

Cenco 1st Quarter Sales Rose

CHICAGO—Sales of Cenco Corp. for the first quarter, ended July 31, rose "more than 55%" from the similar period last year. John T. Gossett, chairman, said at the annual meeting. In the first fiscal quarter last year a volume of \$2,910,092 was reported by the scientific instrument manufacturer.

Mr. Gossett said the company "is actively engaged in the development of several automatic instruments for gas and chemical analysis." He noted "these projects lie primarily in the fields of chemistry and high vacuum, the latter being the market for our major product line."

Associated Artists Production

ASSOCIATED ARTISTS PRODUCTIONS CORP. reports for the six months ended June 30, 1957, net income of \$1,237,828, equal to 76 cents a share on the 1,637,236 common shares outstanding. Gross revenues for the period totaled \$26,660,000. No comparison for 1956 is available.

New York Names Panel
In Move to End Strike
Cutting Milk Deliveries

Three-Man Board of Inquiry Meets
Today; Distributors Uncertain
If Supply Will Last to Thursday

NEW YORK—A board of inquiry has been appointed by the New York State Industrial Commissioner in an attempt to settle the walkout of some 950 teamsters who normally haul about 75% of the milk into the metropolitan area.

An organizational meeting of the three-man board has been called for 9:15 this morning by its chairman, Dean Thomas L. Norton of the New York University School of Commerce. He said hearings of the board will start as soon as possible.

The striking truck-drivers, members of Local 770 of the International Brotherhood of Teamsters, are employed by trucking firms that haul milk to the city from farm areas under contract for big distributors such as Borden Co., Dairymen's League Co-op Association, and Sheffield Farms Co., Inc.

Not Sure About Thursday

These distributors indicated that they have enough milk on hand to make normal deliveries today but couldn't promise that there would be enough milk for all consumers on

Thursday. Borden's said it "hopes" to have enough milk for normal deliveries on Thursday.

About four million quarts normally are consumed each day in the metropolitan area. Just how much of this regular supply would be knocked out by the strike was difficult to assess yesterday. That's because members of three other Teamsters locals (Local 602 of Brooklyn, Local 182 of Utica, N. Y., and Local 236 of Scranton, Pa.) which also haul milk to the city had not joined the strike up to late yesterday.

The board of inquiry was appointed yesterday by Indor Lubin, State Industrial Commissioner, in accordance with the state law. His action was taken after receiving certification by State Board of Mediation Chairman Harry C. Uviller that efforts had been unsuccessful in bringing about a voluntary settlement of the dispute "which vitally affected the public interest of the state."

Other Board Members

Besides Dean Norton, other members of the board include Edward W. Scully, former State District Attorney and associated since 1942 with the law firm of Winthrop, Stimpson, Putnam & Roberts, and Israel Ben Scheiber, former Impartial Chairman of the Publishers Association of New York and for 25 years president of the Putnam Valley, N. Y., Board of Education.

Negotiations had been underway between the teamsters and the Dairy Transport Association, which represents about 40 to 50 of the bulk trucking companies. According to the union, another 10 to 15 bulk milk hauling concerns are outside the association.

Thomas L. Hickey, trustee of Local 770, said yesterday that he has signed up one non-association hauler and expected to have "an-

other four or five, including some members of the association" by today. Union and association negotiators are scheduled to meet this morning at 11 for another bargaining session in the Biltmore Hotel here.

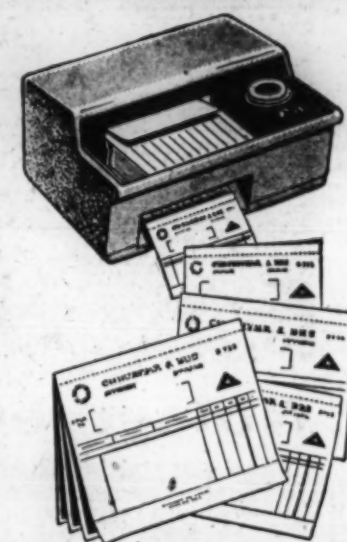
"We won't settle for anything less than all our demands," said Mr. Hickey. He said his demands included: Pay hikes totaling 70 cents an hour over a three year period (40 cents, 15 cents and 15 cents), five cents an hour in improved fringe benefits, and a five-day work week with time and a half after eight hours each day. The union also wants the runs to be picked according to seniority. He said the pay rates under the old contract ranged from \$1.87 to \$2.07 an hour with no overtime benefits.

The truck-haulers association reportedly has offered the union a pay boost of 50 cents an hour over a four-year period.

OCEANIC OIL			
OCEANIC OIL CO. reports for quarter ended June 30:			
	1957	1956	
Earnings per share	\$.86	\$.84	
Net income	739,334	79,149	
Capital shares	1,863,433	1,831,438	

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San Diego Report

Four Aircraft Companies Have Backlog of 1.1 Billion Dollars

By IRVING W. REYNOLDS
Financial and Business Editor
The Copley News Service

SAN DIEGO, August 21—Convair Astronautics, now in pilot production of the Atlas intercontinental ballistic missile, symbolizes the dominant position of San Diego's aircraft industry in the unmanned weapons field.

Astronautics, a unit of General Dynamics Corp., soon will occupy a 40-million-dollar facility under construction here. More than 7,000 are employed by Astronautics, currently housed in Convair's San Diego plant where development of the 5,000-mile-per-hour missile to carry a nuclear warhead has been under way more than five years.

Increasing participation in automatic weapons programs also is reported by Ryan Aeronautical Co. and Solar Aircraft Co. of San Diego. Ryan builds the Firebee jet target drone, an unmanned target craft; the Corporal missile's rocket motor, and parts for other missiles. Solar is participating in eight different missile projects.

Ryan, Solar and Rohr Aircraft Corp. have impressive stores of know-how gained in fabricating the hard-to-work, high-temperature materials whose use in missile programs is growing. They look for expanded participation as new missiles go into production.

Overall San Diego employment of the four major aircraft concerns—Convair, Rohr, Ryan and Solar—has nearly doubled since 1955 and is leveling off around 55,000. Their backlogs in the aggregate are estimated at 1.1 billion dollars, among the highest in peacetime history.

Commercial work adds to the stability of San Diego's aircraft outlook. Approximately 45 per cent of Rohr's 250-million-dollar backlog and 40 per cent of Ryan's 92-million-dollar backlog consist of commercial orders. Convair is producing the Metropolitan 440 piston-engine transport and Model 830 jet airliner, as well as two leading Air Force interceptors, the F102A and F106 delta-wing supersonic jets. Solar holds a number of commercial orders and is strongly entrenched in development and production of gas turbine engines used for marine propulsion and for powering fire pumps, electric generators and aircraft engine starting units.

Rohr is the largest producer of aircraft power packages. It is under contract to deliver these complete engine assemblies for such commercial transports as the Convair 440 and Boeing 707 jets and the Lockheed Electra turbo-prop.

Ryan is producing fuselage sections for the Boeing 707 and power pods and pylons for the Douglas DC8 jetliner.

Both Rohr and Ryan have important subcontract roles in Convair's B58 supersonic bomber, believed ticketed for large-scale production at Fort Worth.

Another San Diego development of unusual promise is Ryan's X13 Vertijet, an experimental Air Force plane that takes off and lands in a vertical attitude and reaches high speeds in conventional flight. Its precise VTOL control system eliminates the need for long and costly prepared landing fields.

For a free copy of "Fundamentals of Stock Market Investments," an analysis of corporate securities and investment principles, write to Irving W. Reynolds, Financial and Business Editor, The Copley News Service, 919 Second Ave., San Diego 23, California. The book is a reprint of a series of articles which appeared in the Copley newspapers.

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Canadian Dollar Continues Upsurge As Bids Top \$1.06 for First Time

Foreign Exchange Men Say Rise Is Due to Increasing Investments in Canada

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—The Canadian dollar continued its upsurge in the New York foreign exchange market yesterday, with bidders pushing the price past \$1.06, in U. S. money, for the first time.

As the day ended the bid price had settled to \$1.0606, but during the afternoon it had been slightly higher, at \$1.0611. Foreign exchange men said the continued rise was due to short supply and strong demand.

As the basic factor they pointed to steadily increasing investment by Americans and Europeans in Canadian securities.

"Most of the money that goes up there stays," said one foreign exchange trader. "It goes into capital investments, and doesn't come back."

The result, he said, is a shortage of Canadian exchange in the New York market, which leads people who need it to continue bidding the price up.

Until last Thursday, when the Canadian dollar reached a new high level of \$1.057, the historic high mark had been \$1.0625, set in November, 1935.

In recent months Canadian local governments and industries have been borrowing heavily in the New York market, where interest rates, though high, are lower than at home. U. S. dollars thus obtained must be converted into Canadian funds before they can be used, and the demand this creates has tended to outrun the supply.

The French franc tended to stabilize in for-

sign exchange dealings here and abroad, traders reported.

Foreign currency dealers in New York said that French banknotes offered from abroad rose slightly to 483 francs per U. S. dollar at the close yesterday from 467 francs the day before. Meantime the capital franc, which may be used only for investment in France, was quoted at the close yesterday at 430 per dollar, up minutely from 431 per dollar, the opening bid price.

The British pound, which has been under fire in recent days, closed yesterday in New York at \$2.785 for spot sterling, fractionally higher than on Monday. But traders reported continuing weakness in the market for future delivery.

Mark Revision Not Planned

BONN, West Germany—(AP)—Chancellor Adenauer's cabinet reiterated the government has no intention of revising the value of the Deutsch mark.

A spokesman for the government said at a news conference rumors about a possible upward revaluation of the mark are without foundation.

He said the cabinet took the position that no revaluation of the mark in relation to the U. S. dollar is necessary. The mark is valued at 23.6 cents.

[The British government asserted Monday it had no plans for devaluing the British pound sterling. There had been speculation about such a move in London last week, but the pound steadied in terms of dollar exchange rates this week.]

Mr. Adenauer's economic minister, Ludwig Erhard, said earlier this month that rigid exchange systems in European countries have made the mark worth more than the official rate, but that Bonn has no intention of altering its worth unless there is an international revaluation of currencies.

Hearings to Consider Oil Import Quota Rise Slated After Labor Day

Carson Asks Oil Firms to File Petitions This Week; Eleven Expected to Seek Revisions

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Hearings on oil-importing companies' pleas for boosts in their assigned quotas on crude oil imports will start "as soon as possible" after Labor Day, an Interior Department official said.

Navy Capt. Matthew V. Carson, special assistant to Interior Secretary Seaton and administrator of a new, voluntary import limitation plan approved by President Eisenhower on July 29, announced he is asking oil-importing companies this week to file petitions if they want hearings and to suggest two alternative dates.

Of the 22 companies assigned voluntary oil-import quotas, seven have indicated they want hearings to correct alleged inequities and another four contend they will need upward ad-

justments now or in the near future. Companies requesting hearings are Atlantic Refining Co., Sinclair Oil Corp., Tidewater Oil Co., Standard Oil Co. (Indiana), Standard Oil Co. (Ohio), Eastern States Petroleum Co., Houston, and Great Northern Oil, St. Paul, Minn.

The new voluntary plan, based on the recent findings of a special Cabinet committee on crude oil imports, is designed to limit total crude oil imports into the U. S. to 1,031,000 barrels a day during the year that began July 1, a cutback from the current level of over 1,200,000 barrels daily.

The voluntary program, considered the Administration's last attempt to reduce imports short of adopting mandatory controls, is aimed at protecting the national security by preventing a sharp rise in imports that would discourage domestic crude output and exploration.

Philco Gets Argentine Contract

PHILADELPHIA—Philco Corp. announced it has received a contract from the Argentine Air Force for communication micro-wave equipment. Philco said it could not disclose the size of the contract because of "Argentine security measures."

A Philco spokesman said this was the firm's first such contract in Argentina. The equipment contracted for, the company said, will be a "one-hop" system permitting both vocal and telegraphic communication.

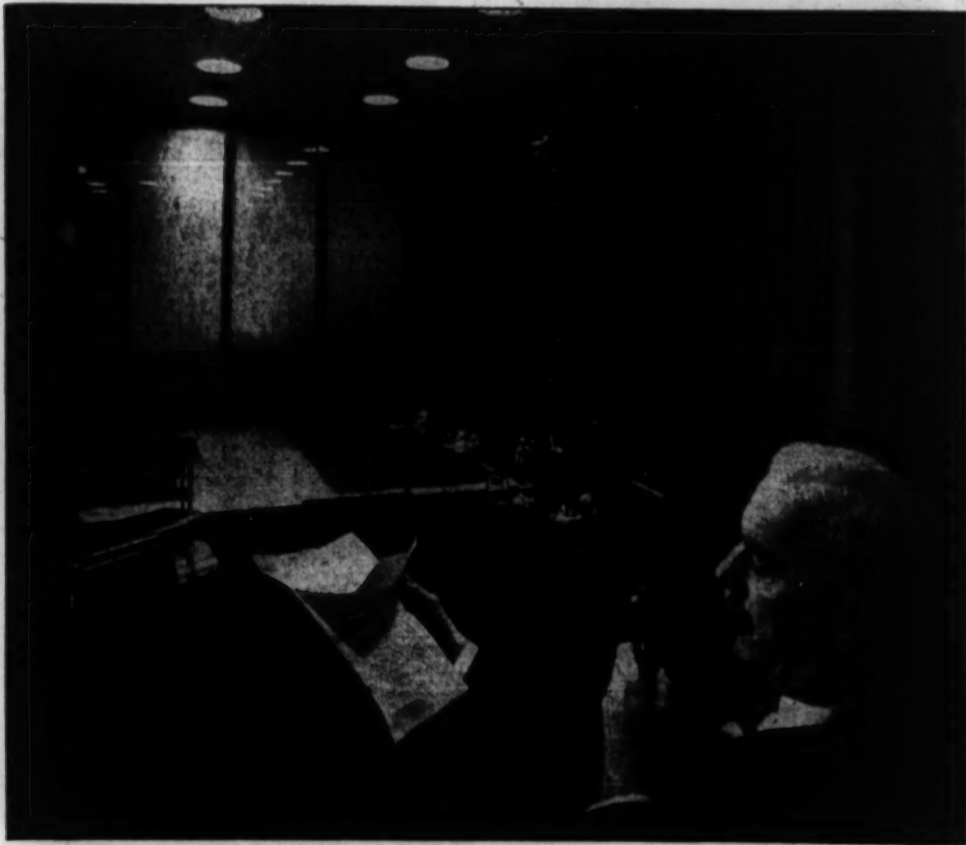
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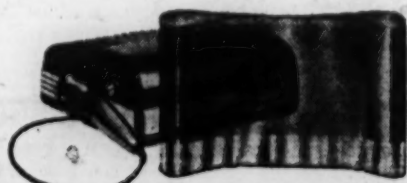
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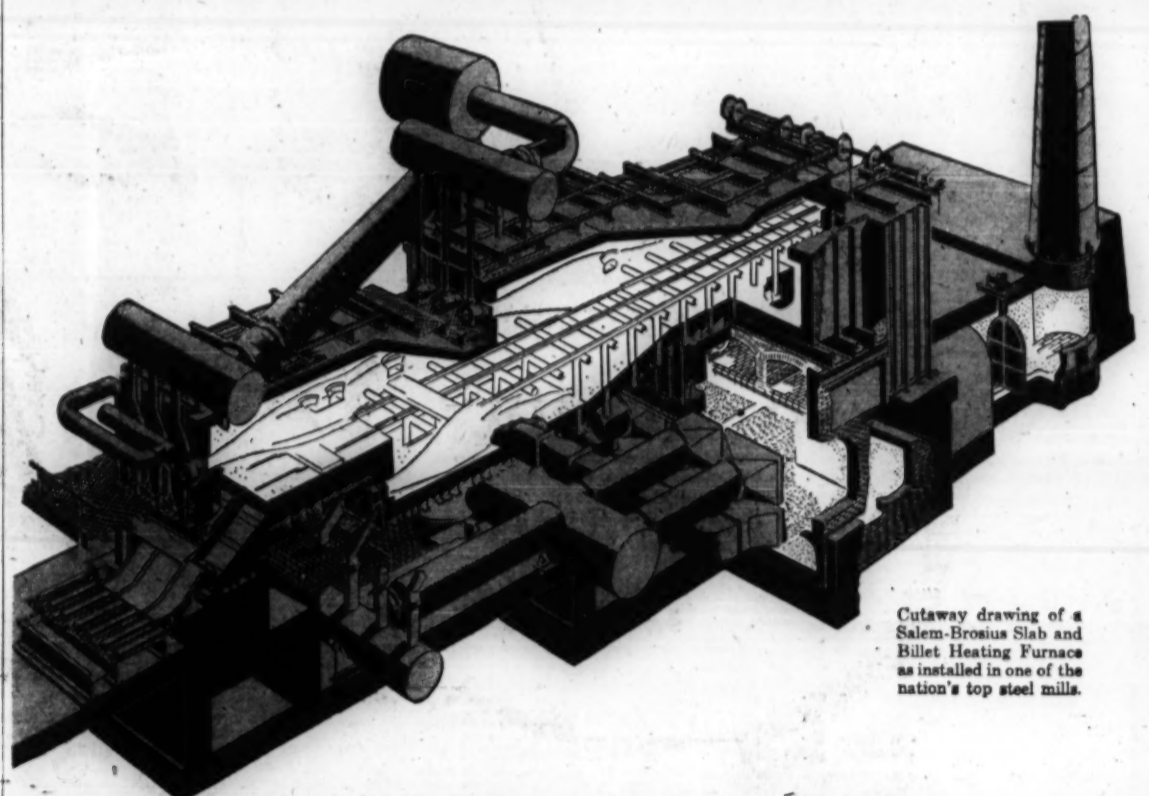
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automatic control of furnace output and heating quality. And the efficiency, economy, ease-of-operation, and trouble-free service this furnace affords are typical of all the furnaces Salem-Brosius builds. Whether you require this or any other heating or heat treating furnace, Salem-Brosius offers equipment designed, engineered, and built not merely as a furnace but as a heating machine. You can purchase these furnaces as complete installations—equipped with all controls, piping and wiring—ready to operate. Write to us.

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**Senators Hear of Hoffa's Loans
From Teamster Aides and Locals**

Continued from Page 3

"According to Mr. Kennedy, he had been 'in the custody of police' some 17 times and had been convicted three times. One of the convictions was for assault and battery on the picket line, one involved an antitrust law violation and the last started out as an extortion charge, but was reduced to a misdemeanor, according to the counsel.

Growing grimmer by the moment, Mr. Hoffa told the committee he was fined for an alleged violation of Federal anti-trust laws through an organizing drive in the Detroit waste paper industry. He explained he pleaded no defense and was fined, but insisted it 'strictly involved a labor question.'

The union leader conceded he was charged several years ago with extortion. The case involved an initiation fee demanded from several Detroit grocers who, Mr. Hoffa said, 'took jobs from war veterans.' The charge was later reduced to a misdemeanor, he testified, and he was required to pay back about \$7,500 to the grocers.

'Somebody had to save face,' he said, so he was found guilty under a Michigan labor law.

A Flare-up

Under Mr. Kennedy's questioning, Mr. Hoffa flared up at one point and said: 'You are implying that I was guilty of extortion, and that's not true.' The counsel, with a look of surprise, denied any such intent.

The questioning then turned to the several businesses Mr. Hoffa has been in. The first, he said, was the J. & H. Sales Co., which leased auto haul-away equipment to the Baker Driveway Co., owned by an individual named Bill Bridge. Mr. Hoffa said his J. & H. Sales Co. had no bargaining relations with the Teamsters Union.

J. & H. Sales, he told the committee, was succeeded by National Equipment Co., which also leased truck tractors to companies engaged in the auto hauling business. Ownership of the new concern was first put in the name of a Jim Montan, whom Mr. Hoffa described as an attorney and friend. It later went to ownership by Mr. Hoffa, he conceded. Then, he said, it was transferred to the wives of Mr. Hoffa and a close friend, Bert Brennen, president of Michigan Teamster Local 337, in their maiden names—Josephine Pozzywak and Alice Johnson.

National Equipment, Mr. Hoffa said, also leased trucks to Baker Driveway.

Ownership Traced

'Was one of the owners (of Baker) Carney Mathieson, who represents the truck industry?' Mr. Kennedy asked. Mr. Hoffa said that was so.

'So J. & H. became National Equipment and it was owned by your wife and the wife of Bert Brennen, and it leased equipment to Baker, which was owned by Bridge and Carney'

Mathieson, who represented the truckers in negotiations with the Teamsters,' Mr. Kennedy summed up. Mr. Mathieson was identified as a labor negotiator for an association of auto hauling concerns.

This further story of Mr. Hoffa's businesses came out from Mr. Kennedy's questioning and the Teamster official's answers:

National Equipment was sold to Mr. Bridge for a price of about \$10,000. After this, another leasing arrangement called Test Fleet was set up. This also ended up under the maiden names of Mr. Hoffa's and Mr. Brennen's wives.

The witness said he thought Mr. Brennen handled the whole arrangement 'through James Wrape,' identified as a St. Louis attorney connected with a company called Commercial Carriers, another haul-away outfit owned by one Bert Beveridge.

'Did you settle some labor troubles for Beveridge and this company?' Mr. Kennedy asked. Mr. Hoffa launched into a long explanation involving what he said was an illegal strike which he said he was instrumental in settling.

It was shortly after this, the witness said, that Test Fleet was set up. Mr. Hoffa said this came about through a discussion between Mr. Brennen and Mr. Beveridge.

'The company was not so hostile then, was it?' Mr. Kennedy asked.

'The strike was over,' Mr. Hoffa said, 'and the company was looking for individuals to invest money in a truck leasing operation.'

Advice of Lawyers Cited

Mr. Hoffa said Test Fleet was set up in the maiden names of his and Mr. Brennen's wives on advice of his lawyers that it would help him avoid lawsuits. He claimed there was no ulterior motive, but Sen. Ervin (D., N. C.) said it seemed to him that the whole intent was to conceal who was behind the companies.

Asked if the company was a profitable one, Mr. Hoffa said he thought so, but didn't know the figures.

'Didn't your wife let you know?' Mr. Kennedy asked.

'I think I know how much my wife makes,' Mr. Hoffa shot back. Mr. Kennedy read a list of profits which he said were paid to the two women up to 1956 which totaled \$125,000.

But Mr. Hoffa insisted it be noted this figure was 'before taxes.'

The witness said he saw nothing wrong with a labor official having a business in the same industry which he organized, but added he knew the A.F.L.-C.I.O. has banned such a practice.

'As rapidly as possible, even though I don't agree with it, I am disposing of my holdings,' Mr. Hoffa said. But he added that 'the money market being as tight as it is, it is difficult to do so without taking a loss.'

His argument in favor of his business dealings in the trucking industry was this: 'If you know the business and have some responsibility in it, you are in a better position at the bargaining table.'

Monksanto Laying Out
\$250,000 to Switch 110
Engineers to St. Louis

Continued From Page One

So far Monksanto has 'taken over' two homes, expects to 'take over' four more.

In addition, Monksanto pays all closing costs for the employee selling a home in one community and buying another elsewhere. Included are realtor commissions, title insurance, and attorney and recording fees. For employees vacating rental property, Monksanto will pay penalty fees for broken leases.

If an employee doesn't sell his old home before purchasing a new one, Monksanto will make an interest free loan up the amount of equity the employee has in his old home to cover the period until the old home is sold.

Monksanto sent Mr. Sargent, a Bostonite, to St. Louis last fall to lay the ground work for the transfers. He prepared a 64-page booklet describing St. Louis residential areas, schools, apartment rentals, utilities, tax rates, churches, recreational activities and discount houses.

For instance, the booklet tells Boston residents, 'for new property, the price is 7% to 10% higher than in the Boston area.' On the subject of mortgage money, considered scarce in many areas, it advises: 'As far as this area is concerned, there is money available for your needs. The Boatmen's Bank (of St. Louis) has it, and the name Monksanto is of value as at other institutions.'

The booklet gives prospective St. Louis residents a tip on taxes, too. 'If you own a car or a house, you are required to make a declaration of personal property. You put in an arbitrary figure of \$100-\$150 for the value of your furniture.'

The Monksanto booklet is titled St. Louis County. Company officials say they are having a tough job keeping it out of the hands of area realtors who want to copy it to give it to other clients.

Foreign Exchange

Wednesday, August 20, 1957

	— In Dollars —	Tuesday	Prev. Day
Canada (Free Dollar)	1.06 1/4	1.05 31/32	1.05 31/32
England (Pound)	2.78 19/32	2.78 13/32	2.78 13/32
30-day Futures	2.76 11/16	2.76 1/2	2.76 1/2
90-day Futures	2.74 13/16	2.73 9/32	2.73 9/32
Transatlantic	2.7550	2.7570	2.7570
Switch (on Security)	2.67 1/2	2.67 1/2	2.67 1/2
Australia (Pound)	2.27 1/2	2.27 1/2	2.27 1/2
New Zealand (Pound)	2.77 1/2	2.77 1/2	2.77 1/2
South Africa (Pound)	2.78 1/2	2.78 1/2	2.78 1/2
Belgium (Franc)	.0190 1/2	.0190 1/2	.0190 1/2
Holland (Guilder)	.2611	.2611	.2611
Switzerland (Franc)	.2324	.2324	.2324
West Ger. DM (Freely Convrt.)	.2384	.2384	.2384
DM (Lib. Convrt.)	.2426	.2426	.2426
DM (Lib. Convrt.)	.2460	.2460	.2460
LATIN AMERICA:			
Argentina (Peso)	.0233	.0233	.0233
Brazil (Peso)	.0136	.0136	.0136
Chile (Peso)	.0016	.0016	.0016
Colombia (Peso)	.0125	.0125	.0125
Mexico (Peso)	.0603	.0603	.0603
Peru (Sol)	.0528	.0528	.0528
Uruguay (Peso)	.0440	.0440	.0440
Venezuela (Bolivar)	.0000	.0000	.0000
NEAR EAST:			
Iran (Rial)	2.79 1/2	2.79 1/2	2.79 1/2
Lebanon (Pound)	.2175	.2175	.2175
PAKISTAN:			
India (Rupee)	.0090	.0090	.0090
Pakistan (Rupee)	.0095	.0095	.0095
Hong Kong (H. K. Dollar)	.1735	.1735	.1735
These buying prices were quoted at 4 p.m. by the First National City Bank of New York for foreign banknotes			
(Official rates in parentheses where officially sanctioned fluctuations are too small to warrant daily comparison):			
England (Pound)	2.50	2.50	2.50
France (Franc) (.0024)	.00210	.00210	.00210
Holland (Guilder)	.2600	.2600	.2600
Italy (Lira) (.00161)	.00158	.00158	.00158
Spain (Pasta) (.0236)	.0185	.0185	.0185
Germany (DM)	.2525	.2525	.2525
Argentina (Peso)	.0220	.0220	.0220
Brazil (Cruzeiro)	.0125	.0125	.0125
Chile (Peso)	.00125	.00125	.00125
Colombia (Peso)	.0150	.0150	.0150
Uruguay (Peso)	.0250	.0250	.0250
Egypt (Pound) (.2001)	1.70	1.70	1.70
Turkey (Lira) (.3570)	.0700	.0700	.0700
India (Rupee)	.0100	.0100	.0100
Pakistan (Rupee)	.0100	.0100	.0100
Hong Kong (H. K. Dollar)	.1300	.1300	.1300
Japan (Yen) (.0093)	.0090	.0090	.0090
Philippines (Peso) (.4902)	.0090	.0090	.0090
Inactive currencies: Cuba (1.001); Denmark (.163); Iran (1.315); Norway (.160); Portugal (.0350); Sweden (1.307).			

**Sheraton Corp. Says
Net Should Rise in '58 As
Modernization Costs End**

By a WALL STREET JOURNAL Staff Reporter

BOSTON—Sheraton Corp. of America says the ending of certain modernization and other expenses in the past fiscal year will aid earnings in fiscal 1958.

Ernest Henderson, president, said in the pamphlet report expenses of modernizing several hotels, charge-offs at Sheraton's new Philadelphia hotel and seasonal losses at two motels, amounting in all to \$2,500,000, were incurred in fiscal 1957.

For the year ended April 30, 1957, Sheraton Corp. reported net income of \$5,401,570, equal to \$1.19 a share on the 4,524,079 shares of common, down from net profit the year before of \$6,651,047, equal to \$1.47 a share.

At the remodeled Sheraton-McAlpin in New York, sales are running 30% ahead of a year ago, Mr. Henderson says. Most of the modernization of the Huntington-Sheraton in Pasadena and the Sheraton-Park in Washington has been completed and both properties have shown 'satisfactory earnings following a considerable period of losses,' he added.

During the past 12 months Sheraton installed central air conditioning in 2,800 of its rooms at a cost of nearly \$1,500,000. An additional 4,000 rooms are scheduled for conversion during the next 12 months. Upon completion of this program about 85% of the company's 23,300 rooms and most of its public dining and banquet rooms will be air conditioned.

**Belgium Plans to File
\$30 Million Bonds,
Seeks World Bank Loan**

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—The Kingdom of Belgium announced plans to file \$30 million of 15-year bonds with the Securities and Exchange Commission. In addition, a \$10 million World Bank loan is expected together with the bond sale, and negotiations are in progress for a \$40 million World Bank loan to the Belgian Congo, with Belgium as guarantor.

Principal and interest on the \$30 million of bonds will be paid in U. S. funds. The liens will be non-callable for ten years. A semi-annual sinking fund of \$1,500,000, starting in the sixth year, is expected to retire the bonds before maturity.

The public offering is scheduled on or about September 11. Underwriters are headed by Morgan Stanley & Co. and Smith, Barney & Co.

The \$10 million loan to Belgium would be used principally for waterway improvement. Belgium borrowed \$30 million here in 1954, paying 3 1/2% to 4% for bonds with maturities ranging from three to ten years.

SEC Stock Index

WASHINGTON—The Securities and Exchange Commission Index of Stock prices, based on the closing prices of 365 common stocks for the week ended August 16, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1957, is as follows:				
	(1926 equals 100)			
	Aug. 16	Aug. 9	%	— 1957 —
	1957	1957	Chg.	High Low
Composite	341.7	340.4	-.3	365.2 325.5
Manufacturing	438.2	436.9	-.7	472.5 403.7
Durable Goods	406.3	412.9	-.2	438.7 382.7
Non-Durable Goods	488.9	487.2	-.2	503.5 427.1
Transportation	285.2	286.4	-.1	317.5 263.8
Utility	134.6	135.8	-.8	162.5 124.6
Trade, Finance & Serv	352.7	353.5	-.1	392.1 274.8
Mining	351.1	356.7	-.1	402.3 248.3
A-New low.				

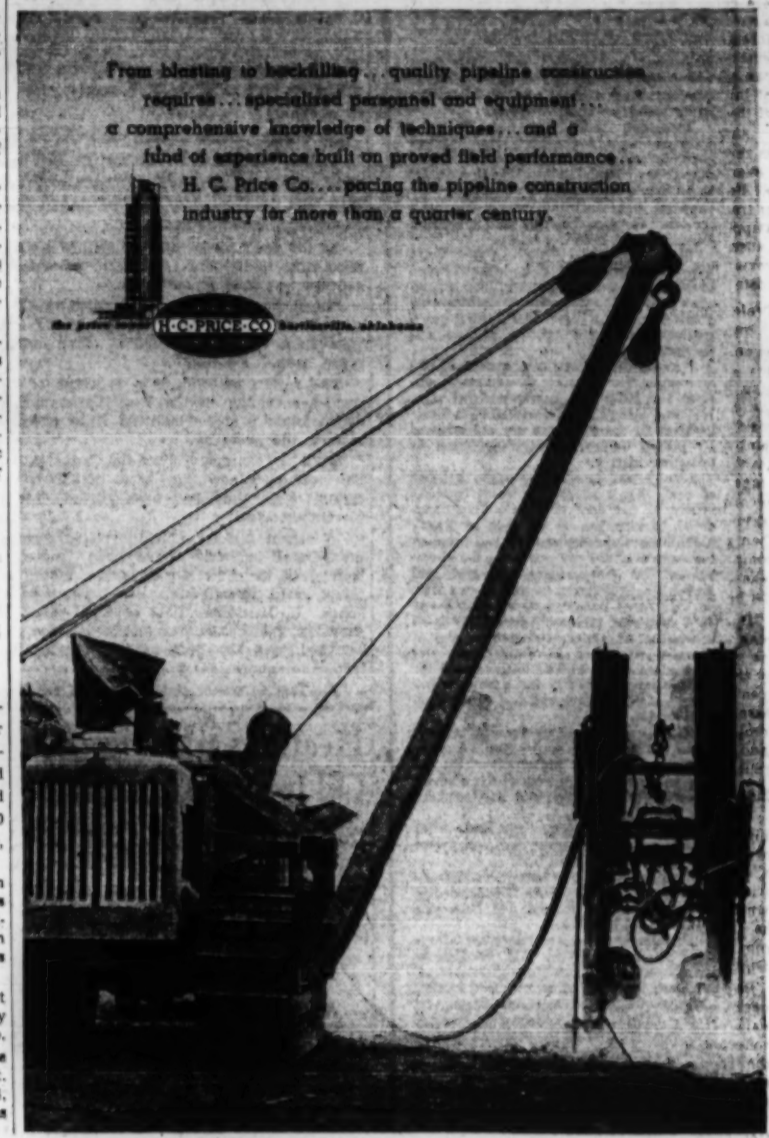
Printers May Seek 4-Day Week

NEW YORK—(UPI)—The International Typographical Union authorized its locals to demand a four-day, 32-hour week at the current wage rate being paid for a five-day, 40-hour work week.

The I.T.U. adopted the permissive legislation as an amendment to its general laws at its annual convention here.

London Exchange Rates

LONDON—The following exchange rates have been quoted: New York, 2.78 7/16; 2.78 9/16. Canada was 2.62 11/16-2.62 13/16.

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Rough Sailing: Rates Skid Sharply For Tramp and Tanker Hauling

Continued From First Page

U. S. Maritime Commission rate set after World War II for Government-owned vessels. The world-wide dry cargo base line represents average rates during the period from July to December, 1947.

These rates used to compile the above graph are chiefly those of U. S. tramp ships hauling such bulk cargoes as coal and grain, and foreign-flag tankers. These ships ply no specific routes; they pick up cargoes where they can and take the best rate available. Because of this, their rates are an effective barometer of the whole ocean shipping business.

Ship owners are sailing the roughest waters in three years, and some executives say times haven't been so tough since depression days. H. Boyce Luckett, vice president and director of traffic for American President Lines, figures shipping is in the worst straits since 1929 because demand for ships has fallen off at the very time more ships became available and costs kept going up.

Prefer to Take Loss

There's no more inclination among ship owners to take continued losses than among any other sort of businessmen. But the shipping executives say they'd lose even more in the short run by laying up their vessels. It costs around \$30,000 to lay up a Victory ship temporarily and then, when it's again needed, get it ready to weigh anchor. (Lay-up costs of bigger ships would be far higher.) Lay-ups, according to one shipping executive, are "like leaving a car sitting by the ocean for a month, then going out and trying to start it up. Most companies, at least for the moment, prefer to take a loss and keep the ship in operation with the hope rates will improve."

Berth lines, which carry passengers and general cargo (machinery, finished goods and the like), normally are affected only indirectly by the rise and fall of tramp rates. But these aren't normal times. Berth lines face some losses, too. They're coming in for increasing competition from tramp vessels and some are saddled with reserve fleet ships that may have trouble finding cargoes.

Chartering Bareboats

Not too many months ago a number of shipping men and Government officials figured foreign aid cargoes were going to rise enough to overtax their vessels' capacities. So ship owners chartered reserve fleet "bareboats," owned by the Federal Government, to handle the expected load. Bareboats take their name from their charter status — bare of crew, insurance, general supplies and cargo.

But it's now apparent that foreign aid cargoes are going to be smaller than in past years, and that berth lines are going to lose money on some of the vessels they chartered from Uncle Sam. In addition, declining shipping rates have forced more foreign-flag tramps to bid lower for cargoes, including the small amount of bulk commodities berth line ships often carry in the bottoms of their holds.

Such cargoes have meant tidy profits for berth lines. One company, for example, last year hauled 667,000 tons of grain to Europe in small loads. Six months ago this cargo brought \$18 a ton; now, with increased tramp competition, the rate is \$12 a ton. This one type of lost cargo could cut the line's revenue by \$4 million this year.

Many ship companies, of course, hired out their vessels on long-term charters last fall

when rates were high and shippers eager to reserve vessels for a long time ahead. But for many of these vessels, the charters expire (in shipping parlance, "come home") this fall. Just about everybody in the business figures to face some losses then.

Rates Aren't Compensatory

"American President Lines is lucky," explains Mr. Luckett. "We had no ships free in July and August. We're committed to October. But at the present level, when our vessels return we'll have to decide whether to retire them because rates quoted now aren't compensatory for American-flag ships. In our case it could affect up to five."

"We haven't been making a lot," admits John Clerico, general manager of the steamship division of Pope & Talbot, Inc. "It's a tough picture."

And an official of big American Export Lines, which has 12 ships chartered, adds, "We have ships coming in here the beginning of September that aren't fixed (chartered). We'll have problems then."

A U. S. flag Liberty type freighter, built in World War II, now can be hired by a shipper for about \$36,000 a month. A year ago a shipper would have paid, and gladly, around \$50,000 for such a charter. When these vessels' commitments end in another month or so, some ship owners expect charter rates to fall even further.

Though the Suez Canal closure was bound to disrupt the shipping business, some ship line executives blame the drop in rates more on the Maritime Administration's approval last fall of requests to take 139 ships out of the Federal reserve fleet.

Opposed the Break-Out

"The break is definitely attributable to the injection of the 139 ships into the market by the Government," growls cigar-smoking Charles C. Dunlap, 57-year-old president of Polarum Steamship Co., Inc. Mr. Dunlap, along with officials of the United States Lines and Moore-McCormack Lines, opposed the break-outs from the reserve fleet in mid-1956. And while he criticizes the Government for not restricting the number of ships to the cargo available, he also has some harsh words for ship owners who chartered Government vessels to cash in on high shipping rates.

"These shipping companies have helped bring about the present situation themselves," he contends. "The lines that applied for bareboat ships were a party to an act of potential self-destruction because they had no regard for the effect their actions would have on the market."

The Maritime Administration, swamped with requests for about 500 reserve fleet ships, did try to limit the number broken out for sea duty. It managed to whittle the application list to 223, but the 139 ships taken out more than tripled the size of the U. S. tramp fleet — without an accompanying increase in cargoes available.

The Maritime Administration recently ruled that companies that have chartered ships may return them to the reserve fleet under certain conditions. The goal is to get some tonnage off the seaways but the scheme hasn't been in effect long enough to see what effect it will have.

More Lay-Ups Predicted

One thing appears certain: Unless rates improve soon, ship owners are headed for whole-

sale lay-ups because they can't operate indefinitely at losses.

Already there are scattered reports of bareboats temporarily on idle status—moored to docks, their crews discharged. One concern is using idle tankers to store oil.

"This is the first step toward wide scale lay-ups," warns Mr. Anderson of the tramp ship owners association. "If a ship owner is going to spend money to keep the ship idle and lose money when she's at sea, he's eventually going to realize it's cheaper to keep her in lay-up."

Some things could improve rates slightly. If any number of reserve fleet ships are turned back to the Government, competition might be reduced. Congress is about through debating foreign aid, and a completed bill will mean some cargoes, though not as big as once thought. And the approach of winter should increase European demand for oil and coal.

But there are some factors working the other way, too. President Eisenhower's call for "voluntary" restrictions on foreign oil imports is reducing tanker cargoes. And the Japanese, due to receive \$175 million in surplus farm products, have asked to carry the cargoes in their own ships. The Maritime Administration now says revenue from hauling the surplus will be split "about" fifty-fifty between Japan and U. S. shippers.

In the case of tankers, at least, rates could be affected drastically by renewed turmoil in the Middle East. Recent developments in Syria, sending that nation even further to the left, increase this possibility. Syria is crossed by two pipe lines that currently are carrying more than 550,000 barrels of crude oil a day to the Mediterranean coast. Should the flow of crude through these pipes be stopped by the Syrians, the shortage would have to be made up by tankers, and their rates might rise.

Food Fair Sales, Net In 12 Weeks to July 20 Topped Year Earlier

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA—Sales and earnings of Food Fair Stores, Inc., for the 12 weeks ended July 20 topped the like 1956 period, Louis Stein, president, said at the annual meeting.

Mr. Stein said sales for the period rose to \$131,535,967 from \$119,468,967 in the like 12 weeks of the 1956-57 fiscal year. Earnings rose to \$2,266,002, equal to 69 cents on each of the 3,190,736 common shares outstanding at July 20, Mr. Stein said. This compared with \$2,072,001, or 63 cents a share on the same number of shares, in the 1956-57 period.

Mr. Stein told shareholders five markets are scheduled to be opened within a week, which will bring the concern's total to 280. In addition, he added, sites for 100 additional markets are owned or under lease, and between 45 and 50 units will be opened in the current fiscal year which ends April 26, 1958.

FOOD FAIR STORES, INC., reports for the 12 weeks ended July 20:

	1957	1956
Sales	\$131,535,967	\$119,468,967
Net income after taxes	\$2,266,002	\$2,072,001
Based in both periods on 3,190,736 shares of common stock outstanding as of July 20, 1957, after allowing for preferred dividend requirements.		

Saudi Arabian Oil Production Up

NEW YORK—Saudi Arabian crude oil production during July averaged 1,209,757 barrels daily, compared with 1,164,280 barrels in June and 1,033,563 barrels daily in July 1956, according to the Arabian American Oil Co.

Transamerica Ordered To Get Rid of Its Stock In Occidental Life

May 9, 1958, Deadline Set; Order Is First by FRB Under Bank Holding Company Act

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Federal Reserve Board ordered Transamerica Corp. to get rid of its stock ownership of Occidental Life Insurance Co. of California.

This was the first divestment order issued by the board under the 1956 Bank Holding Company Act. The act was designed to control future bank holding company expansion and to require the divestment of non-banking interests.

A spokesman for the reserve board said that under the act Transamerica would have until May 9, 1958 to divest itself of its Occidental holdings unless further extensions were granted.

Transamerica, according to the board, is a bank holding company which owns a majority of the shares of many banks in the West and also owns all or a majority of the shares of a number of non-banking organizations.

Occidental is the largest non-banking organization owned directly by Transamerica, which holds all of the insurance company's shares. Occidental writes life, accident and health insurance. Occidental, which was acquired by Transamerica in 1930, ranks twelfth in the country in terms of insurance in force. At the end of last year, Occidental had more than \$6.7 billion of life insurance in force.

Under the 1956 Bank Holding Company Act a bank holding company is permitted to hold the shares of a non-banking organization if all the activities of the organization were of a financial, fiduciary, or insurance nature, and the organization was very closely related to the business of banking.

"There is no question in the present case but that all the activities of Occidental are of an insurance nature," the board said. However, the board decided that Occidental's business was not closely related to banking and therefore ordered Transamerica to divest itself of its holdings in the insurance firm.

Holding Firm Replies

By a WALL STREET JOURNAL Staff Reporter

SAN FRANCISCO—Frank N. Belgrano, Jr., chairman of Transamerica Corp., said the Federal Reserve Board's decision means "Occidental must be treated as a non-banking asset and in some manner separated like other non-banking assets from our banking institutions."

"A study of the board's decision will undoubtedly clarify some of the problems confronting us under the act (the Bank Holding Company Act)," Mr. Belgrano said. "Transamerica Corp. now will be able to proceed more rapidly to formulate a definite plan of reorganization as required by the statute."

Glenmore Distilleries

GLENMORE DISTILLERIES CO.: Preliminary report for the year ended June 30:

	1957	1956	1955
Earned A&B com shs	\$1.48	\$2.30	\$2.75
Net sales	\$7,975,875	\$6,520,310	\$4,192,709
Net before income tax	\$3,227,244	\$1,328,444	\$966,875
Net income after taxes	\$1,526,244	\$26,444	\$21,879
Based on combined 1,028,829 Class A and Class B common shares.			

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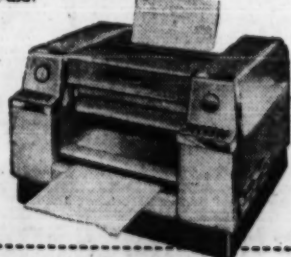
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Totals	60 minutes	14 minutes

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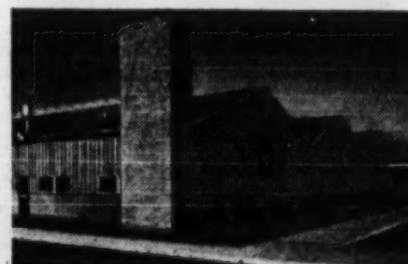
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REVIEW and OUTLOOK

The Chief Offender

Reserve Board Chairman Martin, testifying before the Senate Finance Committee, stated that the basic inflationary pressures now come from over-spending and under-saving.

By whom? Chairman Byrd asked if the Federal Government wasn't the "chief offender." Replied Mr. Martin: "I will agree to that."

Many might be inclined to dispute the two experts that the inflation can be explained simply as "over-spending and under-saving." There are almost as many theories as to the causes of inflation as there are economists. But it is hard to dispute the view that the Government is the "chief offender."

For no matter which school of thinking one examines, the Government emerges as the main factor spurring inflation.

Take the idea that the trouble is that people spend too much and save too little. This is a pet of those who would resort to direct credit controls and similar schemes. It is perhaps true that we "under-save" what is left in our paycheck after the Federal Government withholds its taxes. But we would save more if Uncle Sam would just take less.

Moreover, the Government, most recent years, has not only spent all it takes but more besides. It manages to do this by—in effect—printing more money for itself, and thus increasing the total amount in circulation. So if you follow the theory that the present inflation is due to such an increase in money supply, the Government certainly is the chief offender.

Or is it your belief that inflation re-

sults not so much from a swollen supply of money as from the super-speed at which it changes hands? A notable school does. Well, who is taxing away the money, even before it reaches the wage earner, and spending it even faster? Government, of course.

How about the theory that inflation is all a psychic phenomenon—that everyone is just inflation-minded? Who makes the people so?

The Government builds the inflation atmosphere by its constant talk about it. But while it denounces inflation, it sets the example and pace for inflation. It recommends record peacetime budgets; all of its multi-varied services, agencies, programs and projects are stamped "essential."

Rising wages and rising prices are considered the cause rather than an effect of inflation by other economists. The Federal Government also must be considered the chief offender under that dubious theory. It long encouraged unions to seek pay raises to keep "purchasing power" high, without regard to such factors as productivity. While it has denounced price increases, it has made them inevitable, not only through the wage increases, but also through its heavy spending which helps bid up prices, by increasing the money supply and by contributing to its velocity.

So the label suggested by Chairman Byrd and approved by Mr. Martin is one which could be used by any school.

And we had best keep that label clearly marked. For if we are going to deal with inflation we must deal first with the chief offender.

The Weakness of Giants

It says here on the sports pages that New York's disappointment is San Francisco's good fortune. The West Coast climate, it is hoped, can better nourish giants.

That may be so; New York is losing an institution 74 years old and San Francisco is gaining a baseball team that won thirteen pennants. But we are not so sure.

Mr. Horace Stoneham, president of the corporation, blames it all on the customers. In New York they wouldn't go out to his ball games. The Golden Gate, he dreams, will renew the golden turnstiles.

But the truth is the turnstiles clicked, long ago, because the product of John McGraw was the best in the business. For a long while, indeed, it looked as though they would be giants forever; sheer size and success, so it was said, gave them built-in advan-

tages over their competitors. There were even cries—remember?—that the Government or somebody ought to break up this serene and unshakable monopoly.

Today the wags say all Mr. Stoneham needs to do to transfer the company's plant is buy a one-way ticket for Willie Mays. San Franciscans aren't gaining glory; their profit is one first-class craftsman and a few ancient memories.

And that's hardly enough to nourish tattered giants, even in the wonderful West. In a competitive world even the biggest beast topples if he complacently feeds himself only upon past glories.

There's a moral in this somewhere for the denizens of Yankee Stadium. And also, we suspect, for all who preen themselves on being giants.

Subversion in Syria

The United States is being urged to do something about the unpleasant developments in Syria. Well, what is there to do?

As a matter of fact the United States had hoped to prevent this sort of thing—the transformation of any Middle East state into a Soviet satellite. The Eisenhower Doctrine is aimed mainly at direct military aggression sponsored by international Communism, but it was thought that a by-product might be to thwart Soviet subversion as well. Thus Syria, for example, looking at the nearly \$200 million of Eisenhower Doctrine aid going to Middle East nations taking an anti-Communist stand, might see the practical virtue of doing likewise.

This hope has apparently proved vain. It may be premature to write off Syria completely—events can turn around suddenly in the Middle East—but for the time being it seems firmly in the Communist grip. Since no outside troops were involved in what amounted to a military coup within Syria, there is no basis for United States action under the Eisenhower Doctrine.

The Soviets were nonetheless busy in Syria. They have been selling that government arms; more recently they offered economic and technical assistance. The place is full of Soviet "technicians" and "advisers" pretending to be helping the Syrians while in fact cooking their goose.

So some are saying that the United

States should have beat the Soviets to the punch, selling the Syrians arms and giving them aid before the Soviets got so well entrenched. In other words, this country should have subverted the Syrian ruling clique first. We do not believe that subversion is a policy the United States can profitably adopt.

The fact is that there are limits to what the United States can do in the world. The moral basis of our society precludes our adopting Soviet tactics such as subversion. And foreign aid is a dubious and unreliable instrument of policy.

What the United States has been able to do is to prevent the outbreak of a major war; there are few places in the world the Communists can attack with impunity and they seem to know it very well. What the United States cannot do is buy up every nation in the world. Nor can it assume responsibility for every happening everywhere. The trouble is that the United States Government too often appears to be accepting responsibility for everything.

If the limitations of foreign policy were better understood, there would be less consternation and less clamoring for "action" in a case like that of Syria. The loss of Syria may be a temporary Soviet "victory." But if the United States were to start running its foreign policy on the basis of duplicity and cynical imperialism, that would be a far bigger Soviet victory.

Mediator Sees Strike Probable August 31 at Glass Container Plants

Talks on New Contract Between Mold Makers, 28 Companies Called Off "Indefinitely"

By a WALL STREET JOURNAL Staff Reporter

PITTSBURGH—A strike that would shut down the nation's glass container manufacturing industry at midnight August 31 "looks as a probability," a Federal mediator said here.

William Rose of Philadelphia said he had recessed "indefinitely" contract talks between spokesmen for 2,000 mold makers, members of the AFL-CIO American Flint Glass Workers Union, and the Glass Container Manufacturers Institute, an organization representing 28 companies. The two groups, which have been meeting here for a week, were unable to reach agreement on a new contract to replace the current pact, slated to expire at midnight August 31, Mr. Rose said.

Thousands of other workers in the glass industry will be affected if the mold makers walk off their jobs. Mr. Rose noted that 30,000 non-striking employees of glass companies were

made idle last summer when the mold makers struck for 10 days. Some refused to cross mold makers' picket lines, and others were left without work when the mold makers walked out.

Another Meeting Possible

Mr. Rose said there was a chance he might call union and industry representatives together for further negotiations before the strike deadline, but added that he had no plans for such a meeting now. Union officials will be busy during the next few days holding contract talks with individual companies in another segment of the glass industry, the pressed and blown glassware field. Union contract with these companies also expires August 31.

Flint glass workers officials and representatives of the glass container group have been unable to agree on the size of the wage boosts to be stipulated in a contract.

Demands made by the union add up to a package of around 32 cents an hour over a two-year period. The industry has proposed a 23½-cent package over two years.

What's Offered And Wanted

The container manufacturers have offered the union a two-year contract with a 3½% wage increase in the first year and a 2% increase in the second. Based on an average hourly wage of \$2.50, the wage increase in the first year would average nine cents an hour, while in the second year it would average five cents. Improvements in fringe benefits

Letters

To the Editor

The Knife Can Sever

Editor, The Wall Street Journal:

Your editorial "Knife at the Jugular" (Aug. 2) wound up by saying, "No association of men can always be sure that a thug will not temporarily take over. But the community as a whole can still guarantee, if it will act in time, that no man is allowed to hold a knife at the nation's jugular." Don't forget that one of the most powerful men in the combined AFL-CIO, Mr. Walter Reuther, constantly used that phrase in attacking the automotive companies. Don't for a moment think that he will not again strike for the jugular, and my guess is that the community will not act in time to prevent disaster. Apropos of my guess your second editorial comments on the finding of Dr. Gallup's poll regarding the four-day work week, but remember this—Mr. Reuther favors it and Mr. Reuther has asserted that he is going to cram it down the throats of the automobile manufacturers. He proposes to obtain the same pay for a four-day week that is presently being paid for a five-day week. This would mean a 25% increase in pay and, more importantly, would mean that the immense capital investment of the automotive industry would be idle three days out of seven. Mr. Reuther has advocated Federal control of industry, joint committees to regulate production, placement of plants and other devices.

Don't place too much credence in the fact that "the community as a whole can still guarantee, if it will act in time, that no man is allowed to hold a knife at the nation's jugular." It can happen.

Remember, the Congress of the United States granted to union leaders the power to force men and women to join unions against their will and to pay dues to those unions.

WILLIAM E. UMSTADT

Canton, Ohio

Questions and Answers

Editor, The Wall Street Journal:

Your comments under the heading of "Out of the Wild Blue Yonder" (Aug. 9) sound like the reasoning of an immature high school paper editor.

Has the writer of this piece ever visited an Officer's Club of the Armed Forces? It doesn't sound like it. If he has then he must have been interested in only one of the facilities offered at such clubs.

Doesn't it occur to your editors that officers' wives like a night out from cooking meals, that in the "O" clubs there should be space for the children, bridge, games and other decent types of social contacts between personnel on the post or base? In addition to the too often publicized bar. That the very homely lives led by the great majority of the officers of the Armed Forces preclude their even being able to afford spending their evenings in civilian bars and clubs?

As one who has spent a good part of his life in the service, in many out of the way parts of the world, I'll stick the Armed Forces officers up against the run of the mill civilians in the same wage brackets any day for sobriety and general real gentlemanly conduct.

Your editorial was definitely a low blow and calls for an apology.

CARL D. SHORT,
Captain, U. S. N. R.

Centerline, Mich.

[In answer to Reserve Navy Captain Short's first question, the writer of the editorial belonged to a number of Officers' Clubs and visited many others in out of the way parts of the world during three years in the Navy. In answer to his criticism, it was not The Wall Street Journal but an Air Force General who said that if Trux Field didn't get \$375,000 for an open mess and officers' club the officers "would be hard to locate if anything of an emergency nature happened" at the close of the work day. Since our own experience was that all officers do not muster at all O Clubs on the double when their day's work is done, we thought the General's reason for building such clubs not very good. We said so and we have no apology to offer.—Ed.]

The Government Siphon

Editor, The Wall Street Journal:

Mr. Sobieski draws strange conclusions from his reading of General Motors' annual report (letter, Aug. 6).

He apparently failed to notice that way back in 1955 (why he at this late date using that particular year?) G.M. paid \$1,353,350,337 in income taxes. Common stockholders received \$292,245,497.

In 1955, G.M. sales (in a free, competitive market) were \$12,443,277,420. These sales provided buyers with 5,030,944 cars and trucks while the company was paying \$24,000 employees over \$3.1 billion in salaries and wages.

A total of \$68,000 stockholders received \$292,245,497 in dividends. Along with Mr. Sobieski, most of these had chosen to buy their stock voluntarily, although probably few of them realized that government drained \$1,353,350,337 from their company's earnings first. This was considerably more than twice as much as the owners of the company received, although government has no investment in the company.

The Federal government in that year was engaging in over 2,500 different businesses which were in direct competition with its own tax-paying citizens. It is extremely hard to find one where government was able to honestly show anything but a deficit.

Government continues to wastefully squander the billions siphoned off from the producing segment of our population and that colossal waste is unforgivable whether it be \$72 billion or any other figure.

I suggest that Mr. Sobieski read a summary of the 314 recommendations made by the bi-partisan Hoover Commission which was also published in 1955.

BRUCE V. REAGAN

San Marino, Calif.

would bring the value of the package offer to 12 cents an hour in the first year and 11½ cents an hour in the second. One of the fringe benefits that would be included in the second year would be a six-cent-an-hour contribution to a pension fund.

The Flint Glass union is insisting on a 5% or 12½-cent wage increase in the first year of the contract and a 4%, or 10-cent, hike in the second, plus the fringe benefit improvements.

An important product of the companies involved in the negotiations is the glass containers used by food processors.

Meany's Hot Spot

AFL-CIO Chief Is Scorched by a Lot of Burning Issues

By JOHN A. GRIMES

WASHINGTON—If you want to see a man firmly planted on a hot seat, take a look at George Meany, the hulking, ham-fisted ex-plumber who is trying to keep the newly constructed house of labor from going up in smoke.

The president of the AFL-CIO is getting seared from all sides. The jurisdictional frictions from meshing two dissimilar labor groups make things hot enough. Temperatures are raised further by the inevitable clashes of labor's strong personalities. And now to all this has been added the white-hot issue, stoked by the revelations of the Senate investigating committee, over what to do about scandal-ridden member unions like the Teamsters.

Mr. Meany, who is hot-headed himself in his haste for wrong-doers in labor unions, has no doubt about what to do. Either the Teamsters, or any other unions like them, clean up on the AFL-CIO's terms or the Federation should kick them out.

But the Meany view is not unanimous. Other members of the Executive Council doubt its wisdom in view of the potential ruckus the truck union could raise on the outside. There's already a threat that if expelled it will tie up with Harry Bridges' maverick longshoremen's union. How can you preserve labor's unity, ask these council members, by forcibly splitting off big member unions?

Grumbling from the Ranks

Many local leaders and rank-and-file members also question Meany's approach. They are already grumbling at the AFL-CIO policy of cooperating wholeheartedly with the investigating committee; many say Senator McClellan is running a witch-hunt. Anyway, they complain, the Meany method would punish innocent union members for the misdeeds of a few union officers.

These differences are generating terrific heat inside the house of labor. But so far it hasn't budged Mr. Meany. And so far his views, more than those of any man in the Federation's hierarchy, have shaped the policies of the combined AFL-CIO.

No one in labor by now doubts that George Meany is a stubborn man with definite ideas. Recalling the ousting of Dave Beck from the Executive Council, one official relates: "The old A.F.L. way would have been to go into the meeting, ask 'What do we do about this?' and kick it around among all the members. Meany walked in, sat down and said 'I think we ought to do this, this and this.' And that's the way it was."

There was another example of this earlier in the year when the Executive Council met in Miami Beach to decide what to do about Teamster officials who were taking the Fifth Amendment before the McClellan committee. While everyone else was arguing, Mr. Meany sat by the swimming pool and played gin rummy for eight straight hours with apparently not a worry in the world. The next morning he laid down the policy to the council that the Fifth Amendment shouldn't be used to dodge questions about labor corruption. The council took Meany's policy with only one dissenting vote—Dave Beck's. This forceful stubbornness has surprised, and sometimes puzzled, Mr. Meany's old friends; few expected it of him when he was first named president of the merged labor groups. But then there are a lot of puzzles about George Meany.

A Tough Air

In person the 62-year-old Federation boss appears stern. His stubby nose and heavy jaw give him a tough air to start with, and this appearance is enhanced by the firm clasp of his jaw on an ever-present cigar. Approached individually by reporters he adopts a cold-eyed stiffness suggesting distrust. His aides too sometimes find him icy and withdrawn. In formal speech-making his delivery is wooden and dull.

Yet he can also be warm and responsive. In an open press conference, for example, he seems completely at ease, showing occasional flashes of humor and an enjoyment of the give and take. When he can speak off-the-cuff he is very effective. With men he knows well he is friendly and affable. And much of the time he works hard for compromises in the interest of preserving peace in the labor movement.

Some of this mixture may be explained by his background. Mr. Meany never finished high school and started life as a plumber. His union career began around 1920 and

once he had dug into union politics he rose rapidly.

In 1934 he became president of the New York State Federation of Labor. In 1935 he showed his political ability by helping crowd 72 labor bills through the New York State legislature. In 1939 he became secretary-treasurer of the A.F.L., stepping into the presidency in 1952 after the death of William Green.

Knocked Out

This was impressive, but not flashy, progress. He worked hard for the amalgamation of the A.F.L. and the C.I.O., and when that was brought about in 1955 he wound up as president of the combined group, in large part because other rivals had knocked themselves out. The consensus among labor leaders was that Mr. Meany would make a nice steady president who would not be too stubborn or too strong.

One of the first men to get surprised was the late William Hutcheson, boss of the Carpenters Union. For years, the story goes, Bill Hutcheson won his way with A.F.L. President Green by threatening to secede. He tried that just once on Mr. Meany and Hutcheson and his union were out of the A.F.L. A few weeks later Hutcheson was back in the fold, but he never got back his job as First Vice President of the A.F.L. He came back on Mr. Meany's terms.

The Teamsters, too, had some early experience with Mr. Meany's stubbornness. When the big merger was carried through, the Teamsters union announced it would pull all of its one million-plus members in the industrial department, obviously to counter the influence there of Walter Reuther. Mr. Meany said no, and the Teamsters settled for partial membership in that department.

Mr. Meany's passion for peace in the organization hasn't kept him from engaging in a running fight with Mr. Reuther, either. Both men are international-minded, but Mr. Reuther wants American labor to participate actively in the International Confederation of Free Trade Unions while Mr. Meany wants the American labor movement to operate abroad on its own. This issue still smolders, as does the difference between the two on labor organizational philosophy.

President Meany is also caught in a cross-fire from some of his old A.F.L. colleagues. They have acid comments to make about his attempts to smooth over the controversial jurisdictional disputes between the building trades (A.F.L.) and the industrial unions (C.I.O.). The complaint is that Mr. Meany is pursuing a policy which would give some of building trades' jurisdiction to the industrial unions. In some eyes that makes Meany a "traitor to his class."

Surrender of Power

There are also rumblings—again from old A.F.L. officials—about the Federation's invasion of union autonomy under the Meany regime. Mr. Meany's position is that each union had to surrender some of its power to the national group when the labor movement was combined. He is for stronger centralization than the old A.F.L. unions were accustomed to.

This question of central authority is now involved in the larger—and hotter—issue of what to do about the scandal-ridden Teamsters or other unions with unsavory men in office.

Mr. Meany is dedicated to the proposition that the new house of labor must be a well-built and respected one. To that end he would brook no compromise in the field of union corruption. To him it is a black and white matter; any labor official who violates trade union ethics must go. If member unions won't clean house the Federation must. He seems unperturbed by the argument that this might mean burning down the house just to roast a few Jimmy Hoffas; he thinks that in the long run internal discipline will build a better foundation.

Right now this is a burning issue in the AFL-CIO, and it's sure to wax hotter if Mr. Hoffa emerges as boss of the Teamsters. There are a lot of people who would like to move Mr. Meany from his rigidly fixed position. And they may yet succeed in doing it.

But Mr. Meany's friends bet he won't budge, hot seat or no. "George is completely at peace with himself," says one aide. "He has come to the conclusion that the Federation can do without the Teamsters if need be—and he doesn't let it bother him any more."

Treasury Redeposits Funds

NEW YORK—The Treasury yesterday redeposited in its tax and loan accounts in the

nation's largest banks an amount equal to one-third of the special 20% call of August 8. The total redeposited was \$50.2 million, of which \$23.9 million was in the New York district.

PEPPER....and Salt

And for Two Bits, I'd—
They'll eat what's put in front of them.
And go to bed polly.
They'll take their pills without a peep.
And scrub their faces nightly.

Oh yes, my kids are very good With dispositions sunny.
But they are only very good On promises of money.

One thing I can be certain of With both my sons and daughters:
They're not the good-for-nothing type;
They're only good for quarters.

—Jean Conder Soule.

Wet Blanket

Hiram: "What's your opinion of a man who hides behind a corn stalk when he drinks moonshine?"

Silas: "I'd say he wasn't dry behind the ears."

Honorable—But

A man notorious for his slowness paid attention for two years to a young lady without coming to the point. The girl's father thought it time for him to interfere, so on the swain's next visit, the father interviewed him: "Clinton, you've been settin' up with Nellie, an' takin' her to picnics, an' to church, and



"Eight-ninety-five cash, a bushel of peat moss, two yards top soil, a whole Saturday afternoon . . ."

nothing's come of it. So, now Clinton, I ask you, as man to man, what be your intentions?"

"Well, answerin' you as man to man, I'll say there hain't no cause for you to ruffle your shirt. My intentions is honorable—but remote."

—Capper's Weekly.

Candid Comment

One businessman to another: "I wanted my son to share in the business, but the Government beat him to it."

—Small Business News.

Reading for Business

What Is Truth?

As Pontius Pilate wondered what is truth, so business report researchers, writers and evaluators must come to grips with the same problem. The "facts"—whether a sagging sales curve or a rise in absenteeism—just don't "speak for themselves."

Facts must be arduously, almost lovingly, selected, marshaled, tied together; conclusions from them should be carefully drawn. So say Columbia historians Jacques Barzun and Henry F. Graff in their *The Modern Researcher* (N. Y.: Harcourt, Brace, 58) and Business Professors Robert D. Hay, of the University of Arkansas and Raymond V. Leskar of Louisiana State in their *Business Report Writing* (Homewood, Ill.: Irwin, \$4.60).

Both teams of authors remind us, moreover, that research is never an end in itself. The hour comes when the pleasures of detective work are over and the report must be written succinctly, logically and attractively. Only then, having been given a voice and a mind, do "the facts speak for themselves."

How truthfully the report speaks—that is, how faithfully it mirrors a problem and how validly it puts forward conclusions and, if called for, recommendations—depends, a good deal on how the facts are weighed and judged, contend Messrs. Barzun and Graff. As historians trained to spot bias, these men know that two contemporary histories of the Civil War, one by a Confederate and the other by a Yankee, are not likely to coincide, though presumably the "facts" are the same.

The moral for business report researchers and writers is obvious. Reporting, says, a plant grievance calls for winnowing fact from fiction in the versions of the incident as related by the shop steward and the foreman. So, too, for safety do salesmen's estimates of their future orders have to be toned down, construction engineers' estimates of building costs hiked upward, and information via the office grapevine, unless verified, pretty heavily discounted.

Professors Hay and Leskar emphasize the necessity of making business reports—whether written, graphic or oral—into efficient tools for management. Accordingly the authors pinpoint the seven "M's" of management as men, machines, material, money, minutes, methods, and markets and ask that business reports not wander too far, if at all, from these areas. The business report, in other words, should inform and neither dazzle nor bore.

Both books make the somewhat painful observation that, barring a Keats or a Menckens, writing reports or, for that matter, most anything else is largely a matter of re-writing. Rarely is clarity and coherence attained in the first draft. The report writer must revise, which means, sometimes frustratingly, replace, recast, supply missing links, eliminate repetitions, switch lines or paragraphs—in short, tinker and fret.

Notes and comments about other books, of special interest:

Quality Control and Statistical Methods by Edward M. Schrock (N. Y.: Reinhold, \$4.75) and **Statistical Methods in Quality Control** by Dudley J. Cowden (Englewood Cliffs, N. J.: Prentice-Hall, \$12). Scrap and rework are costly. So is 100% inspection of every part, however minute. Yet quality control must be maintained—zippers must zip, lighters must light, feeders must feed.

A direct and economical road to quality control, say Mr. Schrock, quality control engineer at American Radiator, and Statistics Professor Cowden at the University of North Carolina, lies in proper statistical methods. Both books cover quality control charts, tests for significance, analysis of variance, and acceptance and stratified sampling. Mr. Schrock has more on the administrative and organizational problems of a quality control program; Professor Cowden is longer on theory.

Life Insurance by Joseph B. Maclean (N. Y.: McGraw-Hill, \$6.50). Life insurance is hardly a static business, as can be seen in this eighth revision of a book originally published in 1924. Mr. Maclean, formerly vice president and actuary of the Mutual Life Insurance Co. of N. Y., discusses basic principles from the mortality table to the amelioration of risk through large numbers, and he details such standard topics as rates, reserves, dividends, investments, group insurance, industrial insurance, savings-bank life insurance, and regulation.

Business Letters That Turn Inquiries Into Sales by Ferd Nauheim (Englewood Cliffs, N. J.: Prentice-Hall, \$4.95). A business letter is an opportunity, not a chore, and all letter writers are salesmen, says Mr. Nauheim, general partner of the N. Y. Stock Exchange firm of Kalb, Voorhis and letter writing consultant. Each letter, he says, represents an opportunity to cultivate and cement friendly relations. To do so, a letter writer should picture the person to whom he is writing and write to him in a personal, conversational way. Drop the "we" attitude, counsels Mr. Nauheim; adopt instead the "you" attitude. And watch the close of the letter carefully, for, as Mr. Nauheim puts it, "Everything is a prelude to the closing paragraph . . . what's said last is first remembered."

—WILLIAM H. PETERSON

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Manhattan Shirt Co.'s Sales and Profit Fell In Year Ended June 30

Drop in Net Blamed on Boost in
Wages, Extra Advertising and
Change in Merchandising

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Manhattan Shirt Co.'s sales for the fiscal year ended June 30 declined slightly and earnings slipped to \$1.93 a share from \$2.17 a share in 1956.

Net sales amounted to \$33,871,389 with net income of \$803,121, compared with \$34,423,418 sales and \$904,313 profit for the previous year.

Sylvan Geismar, president, said in an interview that the sales outlook for the rest of this year is "good."

Manhattan's "Manmooth" cotton, drip-dry shirt, has met strong demand since deliveries began in June, Mr. Geismar said. "We probably won't be able to make all deliveries until the end of the year," he said. He called the line's success "an oasis in a desert of doldrums." The shirt retails for about \$3.95.

Mr. Geismar listed these reasons for the fiscal year's lower profits: The company absorbed a wage increase granted last September to employees, which amounted to about \$500,000 up to June 30. Costs of promotion and extra advertising of Manhattan's 100th anniversary were absorbed. Also, some extra expenses in revamping selling and merchandising procedures in the company's Lady Manhattan division cut into profits.

Mr. Geismar said the company's licensing agreements with manufacturers in Mexico and Canada were now "on a firm basis." He said a number of other applications for licensing in other countries had been received but no definite agreements had been reached yet.

MANHATTAN SHIRT CO. reports for the fiscal year ended June 30:

	1957	1956
a-Earned per share	\$1.93	\$2.17
Net sales	\$33,871,389	\$34,423,418
Net before income tax	1,372,121	1,879,313
Federal income taxes	770,000	975,000
Net income	\$602,121	\$904,313
Current assets	14,463,205	14,771,832
Current liabilities	2,210,348	2,383,709
Capital shares	416,218	208,109

a-Based in all periods on the 416,218 capital shares outstanding on June 30, 1957.

White Sewing Machine
WHITE SEWING MACHINE CORP. and subsidiaries report for six months ended June 30:

	1957	1956
a-Earned per common share	\$1.17	\$1.17
Net sales	\$24,712,299	14,124,238
Loss before taxes	253,499	b-406,059
Federal income taxes	c-133,403	211,000
Net loss	120,096	b-195,059
Common shares	897,247	998,440

a-After preferred dividend requirements. b-Income. c-Credit.

For the quarter ended March 31, last, net income was \$601,269, equal to 42 cents a common share, compared with net income of \$40,127 or less than one cent a common share in like period of preceding year.

The 75% increase in sales in the first half of this year over the like 1956 period reflects the acquisitions in the mill and industrial supply field of Hering, Carlisle & Hammond Co. and H. P. Weller Supply Co. on April 2, 1956, and Boyer-Campbell Co. on April 20, 1957, and Apex Electrical Mfg. Co. on October 3, 1956, the report explained.

The drop in White Sewing Machine Corp.'s earnings, E. S. Reddig, president, and V. W. Fries, chairman, said reflects operating losses incurred in the household appliance lines and non-recurring expenses involved in discontinuance of certain products.

"Operating losses were caused largely by a significant softening of the consumer demand and retail pricing, together with the added problem of the competition arising out of the importation into the U. S. of large numbers of low-cost Japanese sewing machines, which in turn caused the loss of the corporation's largest brand name account," he added.

Union Twist Drill
UNION TWIST DRILL CO. reports for the fiscal year ended June 30:

	1957	1956
Earned per share	\$3.28	\$3.37
Net sales	21,904,914	20,823,841
Net before income taxes	4,207,696	4,327,340
U. S. & Canadian income taxes	2,175,000	2,170,000
Net income	2,032,696	2,157,340
Current assets	12,912,983	13,846,356
Current liabilities	2,274,280	2,468,112
Common shares, \$5 par	635,426	632,726

Central Illinois Light
CENTRAL ILLINOIS LIGHT CO. reports for 12 months ended July 31:

	1957	1956
a-Earned per com shr.	\$3.86	\$3.05
Gross revenue	36,250,285	25,836,852
b-Net income	5,105,684	4,907,834
Net after pld divs	4,255,566	4,406,253
Average common shares	1,011,167	1,023,456

a-After preferred dividends and based on average number of common shares outstanding during the period. b-After taxes and charges.

Nickel Plate
NEW YORK, CHICAGO & ST. LOUIS RAILROAD reports:

	1957	1956
a-Earned per share	\$1.84	\$2.11
July gross	13,820,501	12,006,868
Net operating income	1,282,243	768,953
b-Net income	618,479	536,724
Seven months gross	100,321,600	99,347,882
Net operating income	10,732,031	11,735,745
b-Net income	7,646,394	8,465,503
Capital shares	4,118,568	4,102,620

a-For seven months ended July 31. b-After taxes and charges, but before sinking fund appropriations.

Missouri Public Service
MISSOURI PUBLIC SERVICE CO. reports for 12 months ended July 31:

	1957	1956
a-Earned per common share	\$1.07	\$1.01
Operating revenues	12,325,371	11,803,006
b-Net income	2,899,097	1,811,724
Net after preferred dividends	1,884,697	1,386,724
Average common shares	1,768,063	1,583,386

a-After preferred dividends. b-After taxes and taxes.

Erie Forge & Steel
ERIE FORGE & STEEL CORP. reports for quarter ended July 31:

	1957	1956
a-Earned per common share	\$3.30	\$2.29
Net sales	5,706,260	5,710,314
Net income	708,819	301,185

a-Based in both periods on 927,727 shares of common stock outstanding as of July 31, 1957, after allowing for preferred dividend requirements.

Company's fiscal year ends April 30.

List Industries
LIST INDUSTRIES CORP. and subsidiaries report for six months ended June 30:

	1957	1956
a-Earned per share	\$2.1	\$2.7
Net before income taxes	1,613,782	763,471
Income taxes	540,000	445,000
Net before special item	503,782	317,471
Gain on disposal of prop.	b-411,868	
Net income	\$15,650	\$17,471

a-Based in both periods on the 4,334,144 common shares outstanding June 30, 1957. b-Equal to nine cents a share.

Int'l Ryrs. of Cent. America
INTERNATIONAL RAILWAYS OF CENTRAL AMERICA reports:

	1957	1956
a-Earn per pld shr	\$9.13	\$9.34
July gross	1,360,894	1,299,133
Inco avail fix chgs	64,677	39,660
b-Net income	65,436	12,177
Seven months gross	10,424,980	10,190,441
Inco avail fix chgs	1,857,917	1,051,987
b-Net income	912,273	924,519

a-For seven months ended July 31, based on 100,000 shares of \$5 preferred stock, on which there is an accumulation of unpaid dividends. b-After taxes and charges.

Ohio Edison
OHIO EDISON CO. and subsidiary report:

	1957	1956
a-Earned per com shr.	c-43.75	83.73
July gross	10,463,250	9,589,005
b-Net income	1,725,740	1,583,238
12 months gross	123,280,454	117,069,338
b-Net income	25,424,866	24,335,727
Net after pld divs	22,873,288	21,584,148
Common shares	6,380,749	5,866,136

a-For 12 months ended July 31, after allowing for preferred dividends. b-After taxes and charges. c-Based on the 6,096,412 average common shares outstanding during the period. Computed on shares outstanding at the close of the period, common share earnings were \$3.54.

Seaboard Air Lines
SEABOARD AIR LINE RAILROAD reports:

	June 30, '57	June 30, '56
Cash	\$9,519,490	\$12,564,161
Temporary cash investments	17,482,363	20,915,641
Current assets	31,522,982	56,581,581
Investment in stocks, etc.	538,460	120,963
Fund debt due in 6 months	7,189,000	6,869,000

a-Other than those of affiliated companies.

Kroger Sales
KROGER CO. reports sales:

	1957	1956	Changes %
4 wks Aug 19	\$124,738,202	\$119,183,517	+4.6
23 wks Aug 19	\$1,002,101,058	\$986,364,092	+1.6
No. stores	1,443	1,502	-4.0

Caterpillar Tractor
CATERPILLAR TRACTOR CO. reports:

	1957	1956
a-Earned per common share	\$3.69	\$3.47
July sales	\$7,386,125	\$6,259,625
Net income after taxes	4,335,454	4,978,629
Seven months sales	429,433,864	396,923,237
Net income after taxes	31,844,940	31,456,886
Common shares	8,988,878	8,904,448

a-For seven months ended July 31, after allowing for preferred dividends.

Caterpillar Tractor Co.'s results for 1957 are consolidated to include both domestic and foreign operations. In order to provide proper comparisons, 1956 date have been adjusted to include results of foreign subsidiaries.

Norfolk & Western
NORFOLK & WESTERN RAILWAY reports:

	June 30, '57	June 30, '56
Cash	\$13,254,200	\$16,877,750
Temporary cash investments	14,000,310	25,064,253
Current assets	77,885,589	85,998,290
Current liabilities	46,897,293	38,351,162
Investment in stocks, etc.	4,416,288	16,737,886

a-Other than those of affiliated companies.

Byrd Oil
BYRD OIL CORP. and wholly-owned subsidiaries report for the fiscal year ended March 31:

	1957	1956
Operating revenues	\$1,220,922	\$1,432,484
Oper inc aft depr & depl	118,260	6,244,721
Net income	133,434	6,292,382

a-Includes \$31,796 special non-recurring credit. b-Loss.

Pet Milk
PET MILK CO. and subsidiaries report for quarter ended June 30:

	1957	1956	1955
a-Earned per com shr	\$1.33	\$1.87	\$1.48
Net sales	42,003,354	42,957,694	40,187,634
Net before inco tax	1,331,956	1,840,580	1,322,202
Federal income taxes	427,000	527,000	785,000
Net income	904,956	1,313,580	537,202
Common shares	440,659	440,659	440,659

a-Six months ended June 30.

b-After preferred dividend requirements.

Financial General Corp.
FINANCIAL GENERAL CORP.: Consolidated report for six months ended June 30:

	1957	1956
a-Earned per common share	\$2.29	\$1.18
b-Net before equity in subs not consolidated	303,063	364,613
c-Equity in subsidiaries	429,943	149,375
d-Net income	733,026	514,013

a-As reported by company, before security transactions, but after allowing for preferred dividend requirements. b-After giving effect to income tax credits of \$27,000 in '57 and \$68,000 in '56. c-Represents equity in undistributed earnings or losses of subsidiaries not consolidated. d-Excludes net security profits of \$270,440 in 1957 and loss of \$10,768 in 1956.

Steel that gives you more lions to the barrel !

THE .300 Weatherby Magnum below has one of the flattest trajectories ever achieved in a rifle. It sells for \$1,000.00, and big game hunters say it's worth it. They've dropped lions from 200 yards with a single shot.

This rifle's enormous shocking power—up to 4,600 foot pounds of muzzle energy—is so great that the barrel had to be chrome plated to resist

erosion and maintain accuracy. Looking for a steel that would stand up *without* chrome plating, Weatherby turned to Timken Company metallurgists. Several years earlier they had developed a new rifle barrel steel that Weatherby used successfully in lighter rifles.

Would it resist the .300 Weatherby Magnum's higher temperature and gas cutting without erod-

ing? Under test, the Timken* rifle barrel steel more than equalled the resistance and accuracy of chrome plated barrels. And it took drilling, reaming and rifling without distortion.

"Trouble-shooting" tough steel problems like this one is the job of Timken Company metallurgists. They've been doing it for years. Call on them for a solution to *your* steel problem. They'll be glad to help—and the tougher the problem the better. The Timken Roller Bearing Company, Steel and Tube Division, Canton 6, Ohio. Cable address: "TIMROSCO". Tapered Roller Bearings, Alloy Steels and Seamless Steel Tubing, Removable Rock Bits.



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German Election: Adenauer Leads But May Miss Parliament Majority

Continued From Page One

494 seat chamber to control it and there is no certainty that even "Der Alle," (the old man), as the chancellor is known, can pull this off.

The C.D.U. won only a one-vote majority in the last elections in 1953, and even so needed support from smaller splinter parties to form an effective parliamentary coalition. There are at least some signs that the party's popularity, though still high, may have slipped a bit since then.

If it has, Chancellor Adenauer may be obliged to wangle the support of lesser splinter parties again in order to hold sway, even if the Socialists lose out. In such circumstances, he is almost certain to win the coalition support of the right-wing Deutsche Party, accounting for 32 seats in the present Bundestag, and possibly the much smaller Refugee Party. But the bigger 37-vote Free Democrat Party, which broke from Dr. Adenauer's coalition last year, may be much tougher to win back, especially if its support could be crucial.

Evidence of this cropped up last weekend in a blast by Free Democrat chieftain Reinhold Maier at Adenauer — and America. "You Americans," he declared in a campaign talk at Memmingen, Bavaria, "have given Dr. Adenauer unparalleled scope for his propaganda and have installed him in a position of power which he has consolidated and will develop still further." Likening Dr. Adenauer to South Korea's octogenarian Syngman Rhee, Mr. Maier charged that U. S. support for Dr. Adenauer in past elections had undermined democracy in Germany and promoted centralized government.

A Leading Attraction

Despite such harsh talk, and a deep-seated dislike for Dr. Adenauer, Mr. Maier, a straggly mustached Stuttgart lawyer, has made himself a leading attraction in this otherwise lackluster campaign by the simple tactic of refusing to say what he would do if neither the Christian Democrats nor the Socialists win a majority of Bundestag votes. "Come and see us the morning after the election" is the stock answer. Thanks to his mystery man status, his clipping books at party headquarters here overflow, he's been invited to speak on radio and television and has been featured on the cover of West Germany's biggest news magazine.

Quite possibly, Mr. Maier will not seem all that important after election day but the prospect that he might be is of no small concern in Western circles here. The reason is that the F.D.P., while staunchly in favor of the C.D.U.'s economic policies, is far closer to the Socialists' stand on N.A.T.O. rearmament and the burning reunification issue and Dr. Adenauer might have to temper his views to win F.D.P. backing.

Just the other day, the F.D.P. made clear what its price might be for collaboration with the C.D.U. A resolution of the party's executive committee charged that the C.D.U. "has not even made an attempt to overcome the unification problem" and added menacingly: "The Free Democrats consider it impossible to support a policy which will bring unification no nearer for another four years."

Playing on an Urge

Like the Socialists, the Free Democrats are playing on the deep popular urge for reunification and advocating scrapping the present system of European alliances in favor of a Pan-European security setup in which both the U.S. and Russia would participate. The F.D.P. doesn't necessarily favor an abrupt German withdrawal from N.A.T.O., but party Vice Chairman Erich Mende, rated second in line for the top post, says he thinks "neither N.A.T.O. nor the Warsaw Pact can be regarded unchangeable and in my view Germany cannot be reunited if she remains a member of N.A.T.O."

Rather significantly, Dr. Adenauer has issued orders to his followers not to argue back to the F.D.P.; the Socialists are also wooing Mr. Maier's small conservative bloc of votes by soft-peddling their ardor for nationalization of industry, insiders say.

If the chancellor is easing up on the F.D.P., he's by no means tempering his "give 'em hell" attacks on the Socialists. A sampling of his most recent broadsides includes at Hamburg the charge that "if the S.P.D. should win, the whole of Germany will be drawn into the Soviet orbit and we will become a Soviet satellite." In Pirmasens: The confused policy of the Socialists will lead to the enslavement of Germany." Summing up in Meunster in north Germany the other day, he was moved to declare that next month's voting will "decide whether Germany remains Christian or whether Soviet Communism will seize power."

Some Socialists Hit Back

The sweep and majesty of these oratorical onslaughts have driven the Socialists onto the defensive. Some have hit back, calling Adenauer "a cheap demagogue . . . who deliberately tells lies," and one lashed back by publishing a document with Adenauer's signature so shaky as to be illegible. But Herr Ollenauer himself has done little more than mutter about "infamy" and to plead with the chancellor that "one should display enough responsibility not to stir up Germans against each other."

Even more difficult to parry are Dr. Adenauer's gentler thrusts on the undeniable issue of German prosperity. "No Experiments" is the Adenauer slogan, backed up with some rather impressive evidence that economically Germany could hardly be in better shape.

Statistics show that the average working class family of four spends more than \$28 a week now, an increase of nearly 80% in six years; prices have inflated only about 20% over the same period. The average monthly wage last year was the deutchmark equivalent of \$122, compared with the 1950 average of just over \$67. Unemployment tumbled at the end of July to 390,000 out of a population of 51 million, a far cry from the more than 2 million jobless as recently as February, 1954.

Erhard's System

Brandishing such figures, the C.D.U. exults over its "Soziale Marktwirtschaft" system, developed by burly, apple-cheeked Economics Minister Ludwig Erhard who eschews state planning while depending heavily on such indirect controls as credit curbs to dampen inflation. Add to this some rather heavy C.D.U. emphasis on welfare schemes in the last Bundestag session and the Socialists are left with not much to offer in contrast except more of the same welfare aids or new ones, plus an undefined program to nationalize some key industries.

If this Socialist program enjoys great popular support, it's not evident in the polls of the private sampling outfit Divo. These report that over 77% of the public is satisfied with its personal economic development—about

the percentage existing, according to the pollsters, at the time of the Adenauer election victory in 1953. A warning note for the C.D.U. is perhaps contained in the pollsters' finding that 70% of the public is "satisfied" with the Adenauer regime, a figure which is 6% above last year but 6% below the pre-election 1953 level.

The chancellor's weakest point, most observers agree, is the one he can do the least about—the inescapable fact that he would be crowding 86 at the end of another term.

Stumping the Country

He is doing what he can about it, however. To demonstrate his fitness, he's already embarked on the first of seven cross country trips aboard a two-car train sporting most of the features of its American counterpart, except that only four newsmen go along.

The chancellor is no whistle-stopper, though. He speaks in public halls or outdoor meetings but not from the train's rear end. The idea of a train was sold to him by his close adviser, press chief Felix Von Eckardt, who picked up the idea while in the U.S.

One purpose of it is to avoid the extensive dashing in and out of Bonn of earlier campaigns; with a train and the chancellor's black Mercedes loaded aboard a flatcar, he can sleep in quiet sidings, work in his private car.

The solicitude of his aides does not always have the desired effect, however; on one recent evening Dr. Adenauer was up until 4 a.m. drinking white wine, of which he is no mean connoisseur, and gossiping with new acquaintances; next morning he was up at the usual early hour.

On the road he makes a special effort to cultivate a personal appeal to counteract reports that he's getting increasingly testy and aloof in his old age. Local C.D.U. stalwarts crowd into his rail car at every stop; all receive a warm handshake and a smile from the ramrod straight, fit-looking chancellor. The display of vigor and youthfulness, it's hoped, will quiet questioning on the perennial issue of who would succeed him if he could no longer carry on.

The issue is fanned not only by his age but the small staff he has about him and the fact that he has steadfastly refused to name an heir on the theory that to do so would make life tougher for his choice and fan the jealousy of other candidates.

To counter charges that he's running a one-man show—and the implication that the C.D.U. would flounder without him—he lays heavy emphasis nowadays on the "Adenauer team." And he seeks to suggest that any succession would be orderly.

Only the Votes Will Tell

In Germany, as anywhere, only the vote-counting will tell how well these tactics will work. A major concession by the Russians on German unification could upset the C.D.U. edge. Eager as the U. S. is to help, it's doubtful how it could go beyond the much ballyhooed Berlin Declaration late last month. It was designed to ease German anxiety over reunification by stating that the U. S., France, Britain and Germany would agree to no disarmament scheme which would "prejudice" the reunification of Germany.

The impressive signing ceremony was aimed partly at underscoring the high status in the world to which Germany has risen since the war, and American officials make no secret that the benefit of it all was supposed to rub off on Dr. Adenauer. The results, U. S. authorities also concede, was somewhat of a dud. German newspapers almost unanimously attacked the declaration as superfluous, "not very realistic," or as the pro-government Bonn General Anzeiger judged it, "one more well meant but ineffective scrap of paper to add to the high pile of Germany documents."

World Bank to Lend Thailand \$66 Million For Big Hydro Project

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The World Bank agreed to lend Thailand \$66 million for a huge new hydroelectric project.

The southeast Asia country will use the funds to pay foreign exchange costs of a \$100 million project that includes construction of a 500-foot-high dam and a powerhouse with 140,000 kilowatts generating capacity. Bidding on construction of the project will be open to international competition.

According to the World Bank, formally named the International Bank for Reconstruction and Development, Thailand will actually sign the loan later, after its national assembly passes necessary legislation. These laws will set up a new Bhumiphol Electricity Authority, which will handle the project. The loan will be for 25 years with the interest rate to be set when the loan is signed.

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House Group Approves Changes in Railroads' Accounting Methods

New Amortization Procedure Would Have Effect of Cutting Reported Income of Roads

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The House Government Operations Committee called for a change in railroad accounting procedures that would have the effect of reducing the carriers' reported income.

The recommendation was included in a subcommittee report that was adopted by the full panel. It is designed to bring financial statements submitted to stockholders and investors in line with "generally accepted accounting principles."

It's now up to the Interstate Commerce Commission to decide once again whether to adopt the proposal. The American Institute of Accountants fought for the change on the ground current rail earnings were "overstated."

Under the recommendation, "book" earnings—contained in public financial statements—would be adjusted downward to reflect higher taxes payable in future years as a result of the railroads' current use of fast amortization for tax reporting purposes. This would be accomplished by setting up a reserve now for the future tax costs.

At hearings conducted by Subcommittee Chairman Blatnik (D., Minn.) last April, an I.C.C. member asserted while the commission erred in refusing to institute the change at the roads' request in 1951, making the revision now would slash the industry's reported income by 20% and thus lead to higher rail rates.

However, the committee report contended setting up a "paper" reserve for future tax liability would not "inhibit the railroads in any area of activity except dividend distribution" and would hardly constitute a "shock" to the railroad rate structure.

I.C.C. rules now require railroads report earnings to stockholders only after deduction of normal depreciation. While this is done, the roads at the same time report earnings for

tax purposes based on fast depreciation of certain facilities. Such fast amortization enables a company to depreciate facilities over a five-year span instead of the normal period of, say, 20 years. This has the effect of reducing the company's tax bill during the fast amortization period, but increasing it in later years, assuming tax rates remain unchanged.

The commission now requires railroads to show in footnotes to their financial reports how much lower their earnings would be if big tax deductions were not taken under the Government's fast amortization program.

Showing the fast amortization effect on

earnings in the body of the report instead of in footnote form would remove the "fiction" of higher earnings" now sanctioned by the I.C.C., the report declared.

A committee spokesman explained that setting up a "book" reserve to provide for deferred taxes will cushion the affect of higher taxes later. This would not affect the actual cash position of the railroads, he said, but would merely change the carriers' "present" apparently higher earnings to lower apparent earnings.

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FRB Approves Increase
In St. Louis Discount Rate

WASHINGTON — The Federal Reserve Board approved an increase in the discount rate of the St. Louis District Bank to 3½% from 3%, effective today.

Only the New York and Cleveland banks of the 12 Federal Reserve Districts remain at the 3% level on these loans by the system to member banks.

Pacific Coast Co.		
PACIFIC COAST CO. and subsidiaries report for six months ended June 30:		
	1957	1956
Sales & other revenues	\$4,878,480	\$4,084,840
Net income	323,191	323,273
a-The report states no provision was made for federal taxes on income in either year as a result of transactions in 1957 which, the company believes, established deductions available to offset any otherwise taxable earnings.		
For the quarter ended March 31, last, net income was \$102,119, compared with \$136,509 in the period of preceding year.		
Capital stock as of August 1, 1957, consists of 44,487 shares of 5% (par \$25) preferred, 196,482 shares of 6% (par \$25) second preferred and 437,512 shares of common. The foregoing reflects the number of shares of 5% preferred stock converted into common stock or exchanged into 6% second preferred stock.		

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

\$90,000,000

The Pacific Telephone and Telegraph Company

Twenty-Three Year 5½% Debentures

Dated August 1, 1957

Due August 1, 1980

Price 102.387% and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.

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August 21, 1957.

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NEW ISSUE

AUGUST 20, 1957

120,000 Shares

Holiday Inns OF AMERICA, INC.

Common Stock

Par Value \$1.50 per Share

Price \$9.75 Per Share

Copies of the Prospectus may be obtained only from such of the undersigned as may lawfully offer these securities in this State.

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MID-SOUTH SECURITIES CO.	ELDER & COMPANY
KROEZE, MCLARTY AND COMPANY	MCDANIEL LEWIS & CO.
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NEW ISSUES

August 21, 1957

Genung's
INCORPORATED

\$500,000

Convertible Debentures, 6½% Series Due 1977

Dated August 1, 1957

Due August 1, 1977

Price 100% plus Accrued Interest

20,000 Shares

Common Stock

(\$1 Par Value)

Price \$8.875 per Share

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Financing Business

Pacific Telephone Sells
\$90 Million Debenture
Issue at 5.005% CostHalsey-Stuart Leads Winning
Group; "Excellent" Response
Forecast for Public Offering

By a WALL STREET JOURNAL Staff Reporter
NEW YORK — Pacific Telephone & Telegraph Co. sold \$90 million of 23-year debentures on a bid of 101.639 for 5½%. Dealers said the interest cost—5.005%—was slightly lower than the utility might have paid last week.

Halsey, Stuart & Co., Inc., led the winning group. An "excellent" response was predicted when the debentures are put on sale subject to compliance with Securities and Exchange Commission rules — this morning at 102.387, to yield 4.95%.

The debentures were reportedly trading at 103 bid, up almost ½, in the open market on a when-issued basis.

Morgan Stanley & Co. led the only other group to bid on the securities. Their offer was 101.6311 for 5½%.

Although Pacific Telephone had not paid such a high rate for bond financing since 1922, observers believed the terms reflected a slight rise in bond prices in the last week. Northern States Power Co. paid 5.05% for \$18 million of bonds a week ago. Both concerns' bonds have the same high rating; Pacific Telephone is better known to investors, but this advantage is cancelled by the much greater size of yesterday's offering.

Proceeds of the borrowing will help repay expansion and improvement loans. The utility also plans a 1,822,323 share stock offering, most of which will be absorbed by the parent company, American Telephone & Telegraph Co.

Lehigh Portland Files
\$30 Million Debenture
Issue, Stock Offering

By a WALL STREET JOURNAL Staff Reporter
NEW YORK — Lehigh Portland Cement Co. registered \$30 million of debentures and \$30,312 shares of common stock with the Securities and Exchange Commission. The debentures will be offered publicly; common stock will be issued on a rights basis to stockholders.

The company said that the two issues would raise over \$60 million in new capital. Both are to be underwritten by First Boston Corp. and associates.

Stockholders will be given rights to buy one new share of common for each 10 held at the record date. Offering price will be determined shortly before the stock is put on sale.

Proceeds of the loan will be used to prepay a \$25 million bank loan and to finance an expansion program.

Carolina Pipeline Plans Sale
Of Common Stock, 7% Notes

WASHINGTON — Carolina Pipeline Co. placed 300,000 common shares and a unit offering of notes and stock in registration with the Securities and Exchange Commission.

In filing \$1,050,000 of 7% subordinate interim notes, due 1963, and 42,000 additional common shares, the Greenville, S. C., company reported it plans to offer these securities in units of \$25 of notes and one common share. Both the unit offering and the 300,000 common share block would be sold publicly through an account headed jointly by White, Weld & Co. and Scott, Horner & Co.

Guardian Insurance Issue

WASHINGTON — Guardian Insurance Corp. put 300,000 shares of capital stock in registration with the Securities and Exchange Commission.

The Baltimore concern reported it plans to market 200,000 of the shares (\$2 million) at \$10 each publicly without underwriting. The remaining 100,000 shares would be reserved for issuance on the exercise of warrants that would be sold at 25 cents each to company officials.

Part of the proceeds from the sale of the 200,000 shares would be invested in securities by the new company to meet Maryland requirements for insurance company capital and paid-in surplus.

Molybdenum Corp. Registers Issue

WASHINGTON — Molybdenum Corp. of America put its proposed offering of 196,994 common shares and 196,994 stock purchase warrants in registration with the Securities and Exchange Commission. The New York company plans to send shareholders subscription rights for the units of stock and warrants in the ratio of one unit for each seven shares held. No underwriting would be involved in offering the units.

New York Central Offering

NEW YORK — The New York Central Railroad will go back to the money market with \$3,565,000 of equipment certificates, to be bid on August 26. The road refused the best bid—for \$3,655% net interest cost—on \$6,450,000 of certificates offered in June. Proceeds of the proposed certificate issue will pay 80% of the cost of a hopper car purchase.

Missouri Public Service Issue

JEFFERSON CITY, Mo. — The Missouri Public Service Co. has obtained authority from the State Public Service Commission to issue \$6 million of 5½% first mortgage bonds, maturing in 1967. The utility, which serves western and north central Missouri, told the State Public Service Commission the money would be used to repay \$4,077,500 of short term bank loans and the rest would go on construction.

Money Rates

NEW YORK — Bankers acceptance rates on 30-90 day bills were quoted 4¼% to 4½%. 120 day bills are 4¼% to 4½% and the 180 day bills 4¼% to 4½%.

Federal funds bid at 3%.

Call money lent dealers on bills and Treasuries was quoted at 4% to 4½%.

Call money on stock exchange collateral was 4¼% to 4½%.

Commercial paper sold through dealers four to six months maturity was 4% to 4½%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3½% to 4%.

Inland Western Loan & Finance
WASHINGTON — Inland Western Loan & Finance Corp., Phoenix, Ariz., filed a registration statement for 2,500,000 shares (\$3,750,000) of its class A non-voting common stock with

the Securities and Exchange Commission. The company plans to send subscription rights for the stock at \$1.50 a share to holders of Commercial Life Insurance Co. special participating life or endowment contracts.

Georgia Power
GEORGIA POWER CO. (a subsidiary of Southern Co.) reports:
July gross \$10,284,242 \$9,311,889 \$8,486,126
July net income 1,436,135 1,391,689 1,267,687
12 months gross 118,139,650 108,369,867 99,928,771
12 months net income 16,678,539 14,963,775 13,477,513
a-After taxes and charges.

This announcement is not an offering. The offering is made only by the Official Circular.

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Moody's Rating: Aa

\$19,500,000

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Kansas City Expressway Revenue Bonds
(SECURED BY STATE HIGHWAY FUND)

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Due each May 1, as shown below*

Principal and semi-annual interest (May 1 and November 1) payable at Guaranty Trust Company of New York, New York City, Trustee or at The First National Bank of Chicago, Chicago, Illinois, or at Riverview State Bank, Kansas City, Kansas, or at National Bank of Topeka, Topeka, Kansas. Principal of coupon bonds registered as to principal alone and registered bonds without coupons payable at the office of the Trustee. Coupon bonds in the denomination of \$1,000 registrable as to principal alone or registered bonds without coupons in the denomination of \$10,000 or any multiple thereof. Coupon bonds and registered bonds without coupons to be interchangeable as provided in the Trust Agreement. First interest coupon payable November 1, 1957. Expected delivery on or about September 18, 1957.

SECURITY HIGHLIGHTS

PURPOSE: These bonds are being issued to finance the construction of the "Eighteenth Street Expressway", a 5-mile toll facility, extending from a junction with the Kansas Turnpike in Kansas City, Kansas, spanning the Kansas River to a point approximately 450 feet from U. S. Route 50-56. The State Highway Commission is contractually obligated to construct an extension connecting the Expressway with those routes.

SECURITY: These bonds are to be issued under and secured by the terms of a Trust Agreement, dated as of August 1, 1957, and pursuant to the Act for the purpose of constructing the Kansas City Expressway. In the opinion of Bond Counsel, the Bonds are a special obligation of the Kansas Turnpike Authority payable solely from the tolls and other revenues derived from the operation of said Expressway and any payments to the Authority from the State Highway Fund under the provisions of a Contract, dated as of August 1, 1957, between the Authority and the State Highway Commission pledged for their payment under the terms of the above mentioned Trust Agreement. The bonds and the interest payable thereon will not constitute a debt of the State of Kansas or a pledge of the faith and credit of the State of Kansas.

ADDITIONAL BONDS: Additional future commitments made by the State Highway Fund shall be junior to the claim of these Kansas City Expressway Bonds.

AMOUNTS, MATURITIES, COUPON RATES AND PRICES

\$3,680,000 Serial Bonds due May 1, 1961 thru 1973

Amount	Due	Coupon Rate	Price To Yield	Amount	Due	Coupon Rate	Price To Yield	Amount	Due	Coupon Rate	Price To Yield
\$211,000	1961	5%	5.80%	\$251,000	1965*	5%	3.70%	\$320,000	1970*	5%	4.80%
217,000	1962	5	3.25	268,000	1966*	5	3.80	348,000	1971*	4½	4.80
228,000	1963*	5	3.50	281,000	1967*	5	3.90	355,000	1972*	4½	4.80
237,000	1964*	5	3.40	291,000	1968*	5	4.00	370,000	1973*	4½	4.80
				309,000	1969*	5	4.00				

\$15,820,000 4½% Term Bonds due May 1, 1997*

Price 100¼% to yield approximately 4.35% to maturity

(Accrued interest to be added)

*Bonds are callable as a whole from any monies at anytime upon 30 days notice on or after May 1, 1967 at 105% through April 30, 1971, and at a declining schedule of prices thereafter. Bonds also may be called in part, inversely, by operation of the Kansas City Expressway Interest and Sinking Fund on any interest date upon 30 days notice on or after May 1, 1962 at 105% through November 1, 1964 and at a declining schedule of prices thereafter. Accrued interest is to be added in each case.

These Bonds are offered for delivery when, as and if issued and received by us and subject to the approval of legality by Mitchell, Perkins, Shattley & Mitchell, New York City, Bond Counsel to the Authority. Copies of the Official Circular relating to these Bonds may be obtained from such of the undersigned as may lawfully offer these securities in this State.

F. S. SMITHERS & CO.

STERN BROTHERS & CO.

R. W. PRESSPRICH & CO.

J. C. BRADFORD & CO.

WOOD, STRUTHERS & CO.

IRA HAUPT & CO.

BACON, STEVENSON & CO.

STROUD & COMPANY

HIRSCH & CO.

STIFEL, NICOLAUS & COMPANY

BACHE & CO.

BRAUN, BOSWORTH & CO.

THE ILLINOIS COMPANY

RAND & CO.

STEPHENS, INC.

KENOWER, MACARTHUR & CO.

E. F. HUTTON & COMPANY

TALMAGE & CO.

GRANBERY, MARACHE & CO.

CHARLES KING & CO.

GOODBODY & CO.

BLEWER, GLYNN & CO.

STUBBS, SMITH & LOMBARDI, INC.

COOLEY & COMPANY

JOHN SMALL & CO., INC.

August 21, 1957.

850,000 Shares

St. Regis Paper Company
Common Stock

Pursuant to an Offer of Exchange which has been accepted in full the above shares are to be issued over a period in exchange for all the outstanding stock of

St. Paul and Tacoma Lumber Company

Negotiations leading to the Offer were conducted by the undersigned.

A. G. Becker & Co.
INCORPORATED

August 21, 1957

\$62,000,000

Banks for Cooperatives

4½% Consolidated Collateral Trust Debentures

Dated September 3, 1957

Due March 3, 1968

Interest payable with principal at maturity

The Debentures are the secured joint and several obligations of the thirteen Banks for Cooperatives and are issued under the authority of the Farm Credit Act of 1933, as amended.

National banks may invest in Bank for Cooperatives Debentures without regard to the statutory limitations and restrictions generally applicable to investment securities. In the opinion of the General Counsel of the Farm Credit Administration the Debentures are eligible for investment by State member banks of the Federal Reserve System, so far as concerns the "Investment Securities Regulation" promulgated by the Comptroller of the Currency. They are also eligible for investment by banks, trust companies, savings banks, and trust funds in various States under applicable State laws and regulations.

Price 100%

This offering is made by the Banks for Cooperatives through their Fiscal Agent with the assistance of a nationwide Selling Group of recognized dealers in securities.

John T. Knox, Fiscal Agent

130 William Street, New York 38, N. Y.

August 21, 1957.

The Ohio Company
INVESTMENTS

51 NORTH HIGH STREET

Municipal & Revenue Bonds

RAND & CO.

One Wall Street, New York 5

Whitwell 4-3423 Telex: NY 1-838

Protect Your Travel Funds With

NCB TRAVELERS CHECKS

Spendable everywhere Backed by

THE FIRST NATIONAL CITY BANK

of NEW YORK

Member Federal Deposit Insurance Corporation

CONSOLIDATED CEMENT CORPORATION

DIVIDEND NOTICE

The Board of Directors of Consolidated Cement Corporation has declared a quarterly dividend of 20 cents a share on the Company's common stock payable September 30, 1957, to stockholders of record at the close of business September 16, 1957. The stock transfer books will remain open.

HOWARD MILLER

August 16, 1957

UNITED UTILITIES, INCORPORATED

50th Consecutive Dividend

The Board of Directors declared a quarterly dividend of 30 cents per share on the outstanding common capital stock of the company, payable on or before September 30, 1957, to stockholders of record at the close of business August 28, 1957.

Ahlene, Kans. ALDEN L. HART, President

August 8, 1957

We offer, subject to prior sale:
\$800,000
Town of Vernon
Tolland Co., Conn.
4.20% Bonds
Due August 1, 1960-1974
To yield 3.15%-4.10%
Delivery, when issued.
Rated "A" by Moody's Investors Service
and "A" by Standard & Poor's Corporation
The FIRST BOSTON CORPORATION
15 BROAD STREET • NEW YORK 5, N.Y.
Telephone DIdg 4-1515

R.W. PRESSPRICH & CO.Members New York Stock Exchange
NEW YORK BOSTON PHILADELPHIA

GOVERNMENT
STATE • MUNICIPAL
HOUSING AUTHORITY
PUBLIC REVENUE BONDS
RAILROAD • PUBLIC UTILITY
INDUSTRIAL BONDS
EQUIPMENT TRUST CERTIFICATES
INVESTMENT STOCKS
Knowledge • Experience • Facilities
for investors

Prices of Recent Securities Issues

The original offering price and Street market are indicated below for recent issues of selected securities that are not listed on a principal exchange.

UTILITY BONDS			
Issues:	Offering Price	Bid	Asked
Gen'l Light 4 1/2% '87-100.80	99 1/2	100	
Georgia Pow 3 1/2% '87-102.29	104	104 1/2	
Gen'l Teleph 5% '87-100	101 1/2	102	
Jer Cen P&L 5% '87-101.563	99 1/2	99 1/2	
Met Ed 4 1/2% '87-101 1/2	102	102 1/2	
North States 5% '87-100	101 1/2	102	
Mich Wisc Pl 6 1/2% '77-102.889	104	104 1/2	
N Y Teleph 4 1/2% '91-101.785	99 1/2	100	
Nor Sta Pow 4 1/2% '87-100	98 1/2	99	
Pacific G & E 5% '89-100.798	103 1/2	103 1/2	
Puget S P&L 6 1/2% '87-103.459	107	107 1/2	
Sou Bell Tele 5% '86-102.32	104 1/2	104 1/2	
Sou Cal Edis 4 1/2% '82-100.73	100 1/2	100 1/2	
Sou Cal Gas 5 1/2% '83-101.807	104 1/2	105	
Tenn Gas Tr 6% '77-99	101 1/2	101 1/2	
Texas El Ser 4 1/2% '87-101.80	102 1/2	102 1/2	
West Penn P 4 1/2% '87-101.66	102 1/2	102 1/2	
Wis Tele 4 1/2% '92-101 1/2	98 1/2	99	
OTHER BONDS			
Chance Vght 5 1/2% '77-100	88	89 1/2	
Gen'l AC 5% '77-97 1/2	100 1/2	100 1/2	
Sears Roeb'k 5% '82-100	98 1/2	99	
PREFERRED STOCKS			
McLouth Steel 5% 100	99	99 1/2	
Tung Sol 5% 80	48 1/2	49 1/2	
COMMON STOCKS			
Carter Prod. 25	28 1/2	29 1/2	

**Changes Are Agreed Upon
In U. S.-British Tax Treaty**

WASHINGTON — The U. S. and Britain agreed on a change in their 12 year old tax treaty which will halt U. S. taxation of certain royalties paid to American companies.
Under old provisions of the treaty, Britain doesn't tax royalties paid by a British company to a U. S. company that lacks a permanent office—such as a subsidiary—in Britain. But if a company does have a permanent establishment in the United Kingdom, the royalty payments are taxed and the parent U. S. company falls to get the credit here on foreign taxes paid. The new amendment allows the U. S. parent company a credit here on the tax paid by its subsidiary in Britain, officials explained.
President Eisenhower last year vetoed a bill passed by Congress that provided for this change. At that time, the President said a treaty change and not a new law was the correct way to get the same result.
The amendment must be ratified by the Senate. Secretary of State Dulles and British Ambassador Caccia signed a new agreement.

Digest of Earnings Reports

A summary of corporation reports appears below. Further details of the larger and more widely held companies appear elsewhere in this issue. Unless otherwise noted Federal taxes have been deducted in arriving at net income.
Tuesday, August 20, 1957

Company	Period	1957	1956	1957	1956
		Net Income	Net Income	Earnings Per Common Share	Earnings Per Common Share
Associated Artists Productions	6 mos. June 30	1,237,628	1,076,000	.76	...
Brad Foote Corp.	9 mos. June 30	224,200	450,700	.26	...
Byrd Oil Corp.	Year Mar. 31	1,135,634	2,238,282
Canadian Petroleum Ltd.	6 mos. June 30	1,882,893	293,246
Central Illinois Light	12 mos. July 31	5,105,684	4,907,856	b3.86	b1.28
Central Vermont Pub Serv.	12 mos. July 31	1,290,602	1,411,414	b1.10	b1.28
Cott Beverage Corp.	6 mos. June 30	162,234	124,375	a.30	a.25
Dixie Aluminum Corp.	6 mos. June 30	99,731	157,600
Erie Forge & Steel	Quar. July 31	308,819	301,185	.30	c.29
Federal Machine & Welder	9 mos. June 30	229,000	205,675	.31	.28
Financial General Corp.	6 mos. June 30	1,733,028	1,504,315	.29	.18
Food Fair Stores	12 wks. July 20	2,266,002	2,072,001	.69	c.63
Glenwood Distilleries Co.	1-Year June 30	1,520,246	826,448	1.49	.80
Goussatonic Public Service	6 mos. June 30	321,855	330,137	.84	.86
Iowa Public Service Co.	12 mos. July 31	3,698,391	4,011,517	1.06	1.17
Lafayette Steel Co.	6 mos. June 30	750,225	1,205,340	1.75	2.92
List Industries Corp.	6 mos. June 30	3915,650	317,471	.21	c.07
Manhattan Shirt Co.	Year June 30	803,121	904,313	1.93	g2.17
Missouri Public Service	12 mos. July 31	2,099,897	1,811,724	b1.07	b1.01
New England Gas & Elec.	12 mos. July 31	3,468,407	3,712,822	b1.41	b1.52
N. Y., Chic. & St. L. R. R.	7 mos. July 31	7,666,394	8,665,503	1.86	2.11
Oceanic Oil Co.	Quar. June 30	153,554	79,149	a.08	a.04
Ohio Edison Co.	12 mos. July 31	25,824,866	21,335,727	b3.75	3.72
Pacific Coast Co.	6 mos. June 30	333,101	523,273
Parker-Appliance Co.	Year June 30	1,622,526	521,423	b3.32	g1.12
Pepsi-Cola Gen'l Bottlers	6 mos. June 30	345,081	427,814	a.35	a.44
Pet Milk Co.	Quar. June 30	624,966	913,580	1.23	1.87
Pet Milk Co.	6 mos. June 30	1,001,357	1,037,189	1.88	1.98
Shulton, Inc.	6 mos. June 30	892,295	613,424	.72	.49
Sieglar Corp.	Quar. June 30	289,254	156,783	a.38	a.22
Sieglar Corp.	1-Year June 30	1,036,681	1,053,059	a1.36	a1.30
Suburban Propane Gas Corp.	6 mos. June 30	1,023,905	1,023,429	b.68	b.68
Union Twist Drill	Year June 30	2,032,690	2,357,640	3.20	3.57

(a) On shares outstanding at close of period. (b) Based on average number of shares outstanding during the period. (c) Based on shares now outstanding. (d) Net loss. (e) On preferred shares. (f) Preliminary statement. (g) Adjusted to reflect stock split or stock dividends. (h) Before security profits of \$270,840 in 1957 and a loss of \$10,768 in 1956. (j) Includes \$411,888 gain on disposal of properties. (k) Includes \$51,796 special non-recurring credit.

Tax Exempts

Kansas City, Kan.,
Issue Draws Top Bid
Setting 4.40611% Cost

High Offer on \$19.5 Million Road Bonds Made by F. S. Smithers, Stern Bros. Group

By a WALL STREET JOURNAL Staff Reporter
TOPEKA, Kan.—Top bidder for \$19.5 million Kansas City Expressway bonds was an F. S. Smithers & Co. and Stern Bros. & Co. group whose offer set a net interest cost of 4.0611% on the borrowing.

The securities, issued through the Kansas Turnpike Authority, are backed by state license fee and gas tax funds if toll revenues should prove insufficient to meet operating expenses.

Under terms of the arrangement, state money used to meet expressway expense would be paid back if income on the turnpike increased sufficiently at a later date.

The high bid by the F. S. Smithers group was for coupons of 5%, 4 1/2%, and 4%. Subject to award, the obligations were reoffered priced to yield from 3% in 1961 out to 4.35% in 1967. Early sales at retail were reported very good and a sellout is expected if initial trends continue.

Only competition for the bonds came from a Chase Manhattan Bank and Lehman Brothers combination whose bid stipulated a net interest rate of 4.58%.

Proceeds from the sale will apply towards the construction of a five-mile extension to the present Kansas Turnpike, running from Kansas City to suburban Johnson and Wyandotte Counties.

The original \$160 million issue of Kansas Turnpike bonds was marketed in October, 1954, in a negotiated sale.

Massachusetts Awards
\$19 Million Road Bond;
Interest Cost 3.643%

By a WALL STREET JOURNAL Staff Reporter
BOSTON—Massachusetts awarded \$19 million highway bonds backed by full state credit to a syndicate jointly managed by Bankers Trust Co., First National Bank of Chicago, First National City Bank of New York and First Boston Corp. at a net interest cost of 3.643%.

A syndicate spokesman said the interest cost on the financing is probably the highest paid by Massachusetts in 25 years. The borrowing costs by the Bay State falls in line with those encountered by other large bond issuers during the last month.

The syndicate's interest charge resulted from a dollar bid of 100.5985 for coupons of 3.70%. The bonds were reoffered priced to yield from 2.40% in 1958 out to 3.45% in 1977. Orders were still being tabulated yesterday afternoon.

The only other bid for the general obligation securities came from a Chase Manhattan Bank and Lehman Brothers group, which offered 100.2279 for 3.70% coupons.

Massachusetts last marketed bonds backed by full state credit on May 14 when it sold \$19,084,000 various purpose bonds at an interest rate of 3.2386%. The Dow-Jones municipal index then read 3.27%, compared to its present 3.58%.

Louisiana School Unit Sells
\$1,500,000 Issue at 4.35%

Terrebonne Parish, La., Consolidated School District No. 1 awarded \$1,500,000 general obligation bonds to an account managed by Scharff & Jones, Inc., at a net interest cost of 4.35%.

The account's winning offer was par for a variety of coupons. The bonds were reoffered at yields ranging from 3% in 1959 to 4.30% in 1962.

The top bid on \$1,480,000 Appleton, Wis., school bonds was delivered by Harris Trust Co. and associates.

Their group bid 100.0066 for 3 1/2% and 3% coupons, establishing a net interest cost of 3.65%. At the reoffering, the bonds were scaled to yield from 2.60% in 1958 out to 3.65% in 1977.

Sole bid for \$1,300,000 Westerly, R. I., school bonds came from a First Boston Corp. group that offered 100.31 for 4.20% coupons. Subject

to award, the bonds were reoffered priced to yield from 2.75% in 1958 to 4.10% in 1977.

A Bank of America-led group purchased \$1,000,000 Downey, Calif., Union High School District bonds maturing from 1958 through 1977.

The account offered 100.518 for 4 1/2% coupons, setting a net interest cost of 4.45%. The bonds were reoffered scaled to yield from 2.85% to 4.40%.

Illinois School District Plans
To Market \$5,527,000 Bonds

Winnebago County, Ill., School District No. 265 plans to market \$5,527,000 bonds maturing 1958 through 1973 on September 5.

Aug. 27 is sale date for \$2,111,000 Babylon, N. Y., Union Free School District bonds bearing maturities from 1958 to 1967.

Savannah, Ga., will open bids for \$1,273,000 various obligation bonds on September 12. The general obligation securities fall due 1960 to 1967.

Electric utility refunding bonds worth \$1,260,000 will be vended by Jasper, Ind., on September 5. Maturities range from 1958 to 1977.

Jefferson, Calif., Union High School District

has school building bonds totaling \$1,135,000, scheduled for sale on September 2. The obligations fall due from 1958 through 1962.

Texas Says 3% Interest Limit
Bars \$100 Million Bond Sale

AUSTIN—High interest rates are keeping the State of Texas from selling \$100 million more in bonds to finance a land buying program for war veterans, according to land commissioner Earl Rudder.

The state sold \$100 million in bonds issued before interest rates went above 3%. A second issue of \$100 million was approved by voters in November 1954, with a stipulation that interest should never exceed 3% nor the bonds be sold below par.

Texas Voters Approve Issue

POST, Texas—Voters in the White River Municipal Water District approved a \$1 million bond issue to supply water to the towns of Post, Crosbyton, Spur and Ralls.

Gas Facilities Authorized

WASHINGTON—The Federal Power Commission authorized Pacific Northwest Pipeline Corp., Salt Lake City, to build and operate \$1,226,078 of new gas facilities. The company said the new facilities would permit it to serve Moses Lake, Wash., and a nearby Utah-Idaho Sugar Co. plant.

Bond Markets

Long-Term Treasuries
Lead General Advance;
Trading Pace Picks Up

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Long-term U. S. Government bonds led a general advance in the bond market.

Some dealers closed the 3 1/2% of June, 1978-83 and the 40-year 3s at a gain of 5-32, with prices of 92 24-32 bid and 97 24-32 bid, respectively. The Victory Loan 2 1/2% of December, 1967-72 were 87 bid, up 6-32.

Investment grade corporates picked up strength through the day, ending about 1/2 point higher on the average. Volume was up over the recent slow trading pace.

Pacific Telephone & Telegraph Co. 5 1/4s, due for formal introduction this morning, sold at a premium on a when-issued basis.

"There was more optimism in the market after Federal Reserve Board Chairman Martin's statements about interest rates and business conditions," one trader observed. "Investors seem to interpret his remarks as bullish,

and it has had an effect on their buying." Ralls remained slow, but prices firmed towards the close.

The municipal mart had a better tone, with new issues going faster than had been the case for the last few days. Revenue bonds were mostly easy.

Italian bonds were off and Union of South Africa 4 1/4s up in moderately active foreign trading.

Big Bond convertibles presented a mixed picture, with most issues finishing the day ahead.

Genung's Offering on Market

NEW YORK—Public offering of \$500,000 convertible 5 1/2% debentures, due 1977, and 20,000 common shares (\$177,500) of Genung's, Inc., is underway. P. W. Brooks & Co. is offering the debentures at par and the common at \$8.574 a share. Debentures are convertible into the retail chain's common stock at \$9.50 principal amount of debentures per share until 1962, and at higher prices after that date.

Southern California Water Issue

SAN FRANCISCO — Southern California Water Co. was authorized by the California Public Utilities Commission to sell \$5 million principal amount of a new series of bonds to eight life insurance companies. The first mortgage bonds are 5% series, due 1967.

New Issue

\$19,000,000
Commonwealth of Massachusetts
3.70% Highway Improvement Loan Bonds
Dated August 1, 1957
Due August 1, as shown below

Principal and semi-annual interest (February 1 and August 1) payable at The First National Bank of Boston, in Boston, Massachusetts, at the Bankers Trust Company, in New York, N. Y., or at The First National Bank of Chicago, in Chicago, Illinois. Coupons payable in the denomination of \$1,000 exchangeable for fully registered bonds in any multiple of \$1,000 but not interchangeable.

Interest Exempt from Federal and Massachusetts Income Taxes under present laws
Legal Investment, in our opinion, for Savings Banks and Trust Funds in New York, Massachusetts and certain other States and for Savings Banks in Connecticut

These bonds, to be issued for Highway Improvement purposes, in the opinion of the Attorney General of the Commonwealth will constitute direct general obligations of the Commonwealth of Massachusetts for the payment of which its full faith and credit will be pledged, and for such purpose the Commonwealth will have power to levy unlimited taxes on all the taxable property therein.

AMOUNTS, MATURITIES AND PRICES

(Accrued interest to be added)

Amount	Due	Yield	Amount	Due	Yield	Amount	Due	Yield	Amount	Due	Yield
\$950,000	1958	2.40%	\$950,000	1963	3.20%	\$950,000	1968	3.45%	\$950,000	1973	3.55%
950,000	1959	2.70	950,000	1964	3.25	950,000	1969	3.45	950,000	1974	3.60
950,000	1960	2.90	950,000	1965	3.30	950,000	1970	3.50	950,000	1975	3.60
950,000	1961	3.00	950,000	1966	3.35	950,000	1971	3.50	950,000	1976	3.65
950,000	1962	3.10	950,000	1967	3.40	950,000	1972	3.55	950,000	1977	3.65

When, as and if issued and received by us and subject to approval of legality by the Attorney General of the Commonwealth of Massachusetts.

Bankers Trust Company The First National City Bank J. P. Morgan & Co. The First National Bank The First Boston Corporation
Continental Illinois National Bank Harriman Ripley & Co. Smith, Barney & Co. Harris Trust and Savings Bank C. J. Devine & Co.
Kidder, Peabody & Co. White, Weld & Co. F. S. Moseley & Co. Stone & Webster Securities Corporation The First National Bank
Paine, Webber, Jackson & Curtis Coffin & Burr Bache & Co. Baxter & Company J. C. Bradford & Co. Braun, Bosworth & Co.
Alex. Brown & Sons Dominick & Dominick Estabrook & Co. Fitzpatrick, Sullivan & Co. Hayden, Stone & Co. Laidlaw & Co.
Lee Higginson Corporation Reynolds & Co. Roosevelt & Cross Wertheim & Co. William Blair & Company Branch Banking & Trust Co.
Rand & Co. Spencer Trask & Co. Robert W. Baird & Co. Baker, Watts & Co. California Bank Courts & Co. First Southwest Company
E. F. Hutton & Company Rockland-Atlas National Bank Third National Bank Wachovia Bank & Trust Co. Chas. E. Weigold & Co., Inc.

August 21, 1957.

Statements herein, while not guaranteed, are based upon information which we believe to be reliable.

These securities have been placed privately by the undersigned, and this notice appears as a matter of record only.

Personal Industrial Bankers, Inc.

\$1,500,000

Senior Debentures Series A
Due August 1, 1968

\$1,000,000

Subordinated Debentures Series A
Due August 1, 1968

Reynolds & Co.

NEW YORK PHILADELPHIA CHICAGO
BOSTON MINNEAPOLIS SAN FRANCISCO

August 21, 1957

NEW ISSUE

This new issue of Common Stock is being sold to the general public by a group of dealers, including the undersigned. The offering is made only by means of the official Prospectus.

150,000 Shares

Coastal States Gas Producing Company

Common Stock (Par Value \$1.00 per share)

Price \$10.50 per Share

You are invited to ask for a Prospectus describing these shares and the Company's business. Any underwriter qualified to sell securities in this state will be glad to give you a copy.

Paine, Webber, Jackson & Curtis

Blair & Co.

Walston & Co., Inc.

Spencer Trask & Co.

August 21, 1957

Commodities

World Sugar Futures Rise on Spot Strength; Tariff Talk Lowers Metals; Eggs Gain Again

Major commodity futures markets with the exception of sugar and eggs declined yesterday.

World sugar futures advanced 7 to 26 points on a more active demand for world raws.

The world spot raw price was boosted 23 points to 3.96 cents a pound. Brokers reported a new inquiry from Pakistan involving 11,000 tons of refined sugar with buying scheduled for early September. Caneblanca is due in the market over this weekend for 10,000 tons of raw sugar.

Domestic sugar futures closed unchanged to up 2 points with dealers quiet.

Egg futures at Chicago advanced 30 to 40 points on buying influenced by firmness in the wholesale market and an improvement in demand for storage eggs.

Metal futures markets were depressed as selling was induced by the Senate Finance Committee vote to approve the Administration's proposal for a sliding scale of higher tariffs on lead and zinc imports. Last week, the Committee had voted to raise the tariffs to a flat 3 cents a pound each, contingent on Administration approval. Lead futures declined 15 to 18 points with zinc futures off 19 to 26 points.

Sympathetic selling depressed copper futures 15 to 25 points.

Soybeans declined 1 1/2 to 2 1/2 cents a bushel at Chicago yesterday. This decline followed losses of almost 6 cents a bushel on Monday. Renewed selling and liquidation continued to be induced by favorable weather and crop news. Processor demand was slow with export business light.

Action in soybeans unsettled markets for edible oils and lard futures. Cottonseed oil at New York declined 4 to 10 points with Chicago soybean oil futures off 8 to 15 points. Losses in lard futures ranged to 27 points.

New crop wheat futures and rye at Chicago were under pressure of increased selling which disclosed slow demand. Wheat futures closed 2 cents a bushel lower to 1/4 cent a bushel higher at Chicago with rye futures off 1/4 to 2 cents a bushel.

Cotton futures declined 50 cents to \$1.25 a bale at New York reflecting hedge selling and favorable crop news.

Lower

Cotton—Off 10 to 25 points at New York.

New Orleans was off 12 to 21 points.

Wool—Off 2 to 11 points at New York.

Coffee—Off 45 to 115 points at New York.

Cocoa—Off 5 to 16 points at New York.

Zinc—Off 19 to 26 points at New York.

Copper—Off 15 to 25 points at New York.

Lead—Off 15 to 18 points at New York.

Rubber—Off 2 to 5 points at New York.

London was unchanged to off 15 points with Singapore off 21 points.

Rye—Off 1/4 to 1/2 cents a bushel at Chicago.

Winnipeg was off 1/4 to 1/2 cent.

Soybeans—Off 1 1/2 to 2 1/2 cents a bushel at Chicago.

Soybean Oil—Off 8 to 15 points at Chicago.

New York was off 9 points.

Cottonseed Oil—Off 4 to 10 points at New York.

Lard—Off 5 to 27 points at Chicago.

Oats—Unchanged to off 1/4 cent a bushel at Chicago. Minneapolis was off 1/4 to 1/2 cent with Winnipeg up 1/4 to 1/2 cent.

Irregular

Wheat—Off 3 to 1/2 cent a bushel at Chicago. Minneapolis was unchanged to off 1/2 cent with Kansas City unchanged to off 1/2 cent.

Corn—Off 1/4 to 1/2 cent a bushel at Chicago.

Hides—Off 15 to 5 points at New York.

Potatoes—Off 2 to 4 cents per one hundred pounds at New York.

Onions—Off 3 to 1 up 1 cent per 50 pounds at Chicago.

Flaxseed—Off 1/4 to 1/2 cent a bushel at Winnipeg. Minneapolis was off 1/2 cent.

Higher

Sugar—World contract up 7 to 26 points.

Domestic contract was unchanged to up 2 points.

Eggs—Up 30 to 40 points at Chicago.

COTTON DECLINED YESTERDAY with final prices 50 cents to \$1.25 a bale lower.

Traders attributed the pressure on the market to three factors: Increased hedge selling against the new crop movement; a generally favorable Government weekly agriculture report; and a statement yesterday by Agriculture Secretary Benson reiterating the conviction that his proposals for lower price supports and easier planting controls is the best solution to the farm problem. The Secretary also said in a press conference yesterday that he will have proposals to make to Congress next January other than those dealing with price supports.

Grain Statistics

The Commodity Exchange Authority reports total volume of trading in grain futures on the Chicago Board of Trade, as of the close of business Monday, August 19, 1957, as follows (in thousands of bushels):

Wheat, old... 113 35
Wheat, new... 3,384 11,054 6,020 3,387 798
Corn... 2,638 4,465 1,203 855 4,964
Oats... 600 1,475 778 492 32
Rye... 1,007 4,370 1,130 89 12,725
Soybeans... 6,085 11,000 11,725 1,200 4,329
March 4,325, May 7,164.

Volume of trading in grain futures follows (in units of 40,000 pounds) September 30, October 31, November 30, December 31, January 31, February 28, March 31, April 30, May 31, June 30, July 31, August 31.

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Commodity Indexes

Dow-Jones Futures—Tuesday 157.84, off 0.41; last week 160.93.

Dow-Jones Spot—161.40, off 0.15; last year 164.35.

Date: Open 11 12 1 2 Close Change
Aug. 20... 158.38 158.38 158.38 158.38 158.38 - 0.41
Aug. 19... 158.00 158.00 158.00 158.00 158.00 - 0.79

and aimed at expanding farm markets here and abroad. The Benson statements revived uncertainty over the possibility of farm legislative changes in time to affect the 1958 cotton crop with the distant cotton futures showing the widest losses yesterday. Scale-down trade buying cushioned the reaction in the current crop deliveries. Switching from the near to later months was fairly active yesterday in the early trading. The New York Cotton Exchange reported an additional 4,304 bales of U. S. cotton exports, bringing estimated shipments so far this season, which began August 1, to 189,420 bales. Exports in the like period a year earlier were 232,217 bales.

WEAKNESS IN SOYBEANS, where prices dipped as much as 3 cents a bushel, unsettled holders in other grains. Selling and liquidation in soybean futures reflected favorable weather and crop news, slow processor demand, and limited export sales. Nearby wheat contracts managed to close fractionally higher, but distant deliveries were off almost 2 cents a bushel, with the July 1958 contract showing the greatest loss. There appeared to have been buying of nearby contracts against sales of new crop months by spreaders. Export demand for United States wheat is expected to improve shortly and this accounted for some of the buying of nearby months. Germany and Spain are expected to purchase moderate amounts of U. S. wheat, with Poland due in the market for a large quantity in the near future. Exporters offered Western Germany up to 3,730,000 bushels and Spain 700,000 bushels after the close of the market. A chain baker purchased a moderate quantity of Spring wheat flour. Flour mill buying of wheat futures at Minneapolis accounted for an early advance of as much as 1 cent a bushel, while wheat prices moved up 2 cents a bushel at Minneapolis during the day. Liquidation again disclosed slow demand for rye futures, and prices were off around 1/2 cent a bushel. Corn and oats futures finished with little net change compared with the previous close. Exporters sold limited amounts of U. S. corn to the Continent, and small quantities of soybeans to Japan. Commodity Credit Corp. sold 1,329,000 bushels of corn to U. S. exporters.

COTTON OFF 10 TO 25 POINTS at New York. New Orleans was off 12 to 21 points.

WOOL—OFF 2 TO 11 POINTS at New York.

COFFEE—OFF 45 TO 115 POINTS at New York.

COCOA—OFF 5 TO 16 POINTS at New York.

ZINC—OFF 19 TO 26 POINTS at New York.

COPPER—OFF 15 TO 25 POINTS at New York.

LEAD—OFF 15 TO 18 POINTS at New York.

RUBBER—OFF 2 TO 5 POINTS at New York.

London was unchanged to off 15 points with Singapore off 21 points.

RYE—OFF 1/4 TO 1/2 CENTS a bushel at Chicago.

Winnipeg was off 1/4 to 1/2 cent.

SOYBEANS—OFF 1 1/2 TO 2 1/2 CENTS a bushel at Chicago.

SOYBEAN OIL—OFF 8 TO 15 POINTS at Chicago.

New York was off 9 points.

COTTONSEED OIL—OFF 4 TO 10 POINTS at New York.

LARD—OFF 5 TO 27 POINTS at Chicago.

OATS—UNCHANGED TO OFF 1/4 CENT a bushel at Chicago. Minneapolis was off 1/4 to 1/2 cent with Winnipeg up 1/4 to 1/2 cent.

WHEAT—OFF 3 TO 1/2 CENT a bushel at Chicago. Minneapolis was unchanged to off 1/2 cent with Kansas City unchanged to off 1/2 cent.

CORN—OFF 1/4 TO 1/2 CENT a bushel at Chicago.

HIDES—OFF 15 TO 5 POINTS at New York.

POTATOES—OFF 2 TO 4 CENTS per one hundred pounds at New York.

ONIONS—OFF 3 TO 1 UP 1 CENT per 50 pounds at Chicago.

FLAXSEED—OFF 1/4 TO 1/2 CENT a bushel at Winnipeg. Minneapolis was off 1/2 cent.

SUGAR—WORLD CONTRACT UP 7 TO 26 POINTS.

Domestic contract was unchanged to up 2 points.

EGGS—UP 30 TO 40 POINTS at Chicago.

COTTON DECLINED YESTERDAY with final prices 50 cents to \$1.25 a bale lower.

Traders attributed the pressure on the market to three factors: Increased hedge selling against the new crop movement; a generally favorable Government weekly agriculture report; and a statement yesterday by Agriculture Secretary Benson reiterating the conviction that his proposals for lower price supports and easier planting controls is the best solution to the farm problem. The Secretary also said in a press conference yesterday that he will have proposals to make to Congress next January other than those dealing with price supports.

Grain Statistics

The Commodity Exchange Authority reports total volume of trading in grain futures on the Chicago Board of Trade, as of the close of business Monday, August 19, 1957, as follows (in thousands of bushels):

Wheat, old... 113 35
Wheat, new... 3,384 11,054 6,020 3,387 798
Corn... 2,638 4,465 1,203 855 4,964
Oats... 600 1,475 778 492 32
Rye... 1,007 4,370 1,130 89 12,725
Soybeans... 6,085 11,000 11,725 1,200 4,329
March 4,325, May 7,164.

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BUSINESS ESTABLISHED 1889

Big Board Short Interest Declined
345,259 Shares in August 15 MonthDrop Brought Short Position
Total to 2,392,520 Shares,
Lowest Since Last JanuaryBy a WALL STREET JOURNAL Staff Reporter
NEW YORK—The outstanding number of shares sold short on the New York Stock Exchange in anticipation of lower prices fell by 345,259 shares to 2,392,520 shares on August 15 from 2,737,779 shares on July 15, according to the Exchange's monthly report.

The August short position, according to the Exchange, was the lowest since last January 15, when the short position was 2,238,573 shares. The short interest refers to the number of shares "sold short." A short sale is the sale of borrowed stock made in the expectation of buying it back at a lower price. The difference between the price received and the price paid later to "cover" the sale is the profit or loss.

Short Position Shares Increase
The number of issues in which a short position was reported on August 15 rose to 858, compared with 858 on July 15. This was exclusive of odd-lot dealers' short positions, whose accounts totaled 104,540 shares, compared with 96,820 shares on July 15.

The August 15 short position represented 0.1% of the total shares listed. In May, 1951, when short interest figures were first made public, the comparable percentage was 0.4%, the highest reported thus far.

Largest decline in short interest in the past month, as in the one before, was recorded by General Telephone Corp. It had 936 short shares August 15, against 5,743 July 15 and 139,727 June 14. Its earlier rise in short interest came while it was in process of acquiring Peninsular Telephone Co., Tampa, Fla., by a merger now completed.

El Paso Natural Gas Co. continued, as a month ago, to show the largest short position, with 139,198 short shares, but that figure was down from the 175,698 shares reported July 15.

Next largest, but also with a decrease, was Lukens Steel Co., which showed 76,967 shares sold short, compared with 99,755 shares July 15. Lukens has 953,928 shares outstanding.

The short interest in Carrier Corp. stock declined to 1,666 shares in the current report from 45,851 shares July 15. Carrier recently completed acquisition of Elliott Co., Jeannette, Pa., by a merger.

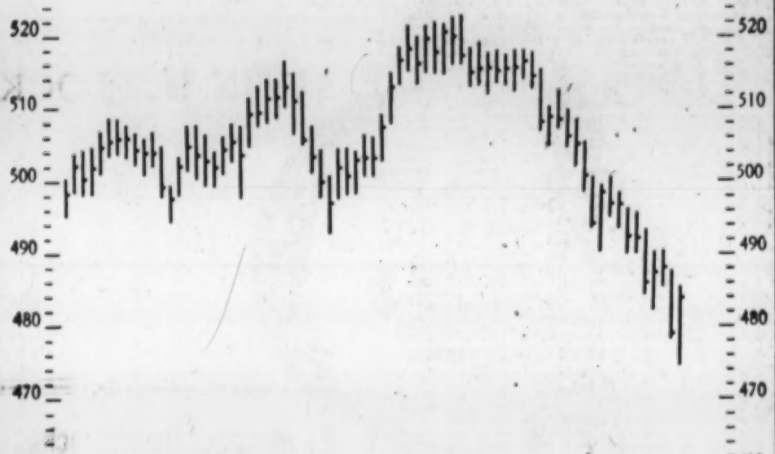
Only sizable increase in short interest in the month was a rise to 31,125 shares August 15 from 1,000 shares July 15 in stock of Sunshine Mining Co., which reported in mid-July an oil and gas strike in Washington State.

Of the 1,516 individual stock issues listed on the Exchange on August 15, 1957, there were 140 issues in which a short position of 5,000 or more shares existed or in which a change in the short position of 2,000 or more shares occurred during the month. A list of these issues showing their short positions, excluding odd-lot dealers' positions, follows:

	Short Interest	Shares Listed
Allegany Ludlum Slt	8,845	10,511
Aluminum Co America	13,597	13,509
Aluminum Limited	16,240	16,352
Amer Airlines	3,843	6,011
Amer Can	9,116	9,116
Amer Cyanamid Co	9,116	9,978
Amer Drilling	3,448	3,448
Amer Motors Corp	8,379	12,640
Amer Refining & Rec	7,243	7,243
Anacosta Co	13,779	13,238
Atlantic Refining	4,440	2,383
Babcock & Wilcox Co	7,243	8,962
Bell & Howell	15,320	11,072
Bethlehem Steel	2,915	11,072
Buck & Decker Mfg	41,310	83,343
Republic Airplane	10,794	9,444

EDITED BY OLIVER J. GINGOLD

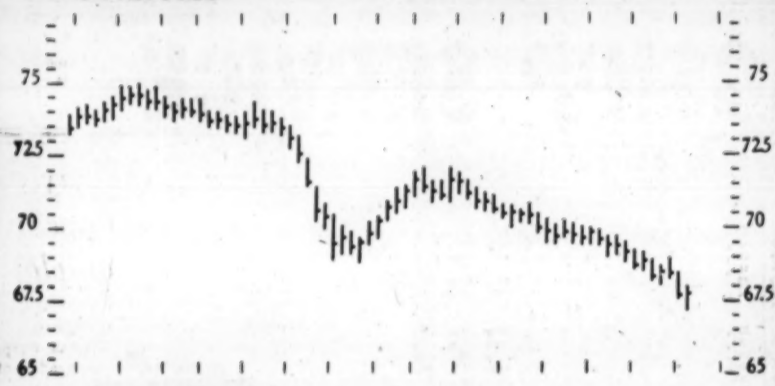
INDUSTRIALS

MAY—JUNE—JULY—AUG.
10 17 24 31 7 14 21 28 5 12 19 26 2 9 16 23

RAILROADS



UTILITIES



Daily Volume



Following are the Dow-Jones averages of industrial, railroad and utility stocks with the total sales of each group for the period indicated:

Date	Open	High	Low	Close	Change	%	High	Low	Shares Sold		
39 INDUSTRIALS:											
Aug. 20	477.84	477.41	478.60	478.73	482.16	+4.91	+1.02	485.40	474.53	237,000	
Aug. 19	477.41	484.23	482.04	481.84	481.75	+0.90	1.89	487.68	478.16	238,000	
Aug. 18	482.82	482.12	487.65	487.93	488.30	+0.37	0.76	490.43	485.37	193,400	
Aug. 17	480.20	486.39	484.85	484.12	485.34	+1.22	0.26	490.28	482.10	291,800	
Aug. 16	482.79	491.97	488.78	488.85	485.92	-2.93	-1.36	495.53	484.32	225,100	
50 RAILROADS:											
Aug. 20	480.13	480.04	481.23	480.99	480.53	+1.47	+1.13	+0.80	481.82	479.58	94,700
Aug. 19	482.23	481.80	481.13	481.14	480.58	-0.55	-1.17	482.39	480.17	68,700	
Aug. 18	482.54	483.37	482.51	482.58	482.74	+0.16	0.38	483.59	481.78	81,100	
Aug. 17	482.42	482.39	481.84	482.11	482.20	+0.09	0.81	483.16	481.80	78,900	
Aug. 16	484.03	484.17	483.23	483.96	483.81	-0.15	-1.48	484.19	481.46	87,400	
15 UTILITIES:											
Aug. 20	67.52	67.49	67.55	67.54	67.63	+0.09	+0.09	68.03	67.18	39,700	
Aug. 19	68.40	68.40	67.17	68.08	68.11	-0.71	-0.76	68.11	67.58	32,800	
Aug. 18	68.68	68.68	68.53	68.75	68.84	+0.09	0.10	68.97	68.07	37,500	
Aug. 17	68.49	68.44	68.43	68.49	68.31	-0.18	-0.23	68.74	68.06	28,700	
Aug. 16	68.87	68.83	68.61	68.53	68.63	-0.34	-0.51	68.94	68.09	42,900	
20 STOCKS COMING AVERAGE:											
Aug. 20	165.82	165.68	165.93	165.96	167.53	+1.55	+0.81	168.06	164.73	473,000	
Aug. 19	166.74	167.87	167.43	167.13	166.99	-0.14	-0.90	167.16	165.91	336,400	
Aug. 18	169.09	168.84	168.82	168.93	168.93	0.00	0.00	169.58	168.14	348,000	
Aug. 17	169.09	168.94	168.81	168.82	168.73	-0.09	-0.51	169.73	167.83	294,000	
Aug. 16	170.55	170.41	169.38	169.39	169.23	-0.16	-1.14	170.78	167.83	355,300	

Averages are computed by dividing prices by the following: Industrials 4.33; Railroads 8.01; Utilities 8.53; 43 stocks 25.55.

Date	Open	High	Low	Close	Change	%	High	Low	Shares Sold
Aug. 20	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 19	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 18	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 17	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 16	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 15	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 14	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 13	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 12	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 11	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 10	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 9	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 8	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 7	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 6	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 5	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 4	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 3	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 2	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 1	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00

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Aug. 20	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
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Aug. 18	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 17	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 16	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 15	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 14	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 13	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 12	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 11	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 10	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 9	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 8	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 7	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 6	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 5	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 4	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 3	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 2	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 1	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00

Date	Open	High	Low	Close	Change	%	High	Low	Shares Sold
Aug. 20	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 19	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 18	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 17	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 16	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 15	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 14	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 13	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 12	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 11	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 10	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 9	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 8	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 7	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 6	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 5	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 4	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 3	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 2	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 1	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00

Date	Open	High	Low	Close	Change	%	High	Low	Shares Sold
Aug. 20	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 19	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 18	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 17	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 16	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 15	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 14	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 13	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 12	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 11	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 10	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 9	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 8	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 7	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 6	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 5	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 4	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 3	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 2	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00
Aug. 1	11.00	11.00	11.00	11.00	11.00	0.00	11.00	11.00	11.00

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Street for the drop.	Anacosta	Gen Shoe	Peoples Gas
Loans on British government bonds ranged	Anac W&C	Gen Tel	Phelps D
	Avco M pf	Granby M	Phill Pet
	Bath R Wk	Grant	Pi Con Coal

U. S. Steel Could Have Cut Prices, Made Big Profit, Union Asserts

Wage Boosts Did Not Cause Price Rise, Steelworker Aide Tells Kefauver Group

WASHINGTON—Steel union officials told Congress the steel industry could have cut prices instead of raising them last month and still could have made big profits.

Testifying before a Senate Judiciary subcommittee, spokesmen for the United Steelworkers of America denied industry assertions that wage increases were largely responsible for the \$6 a ton price rise.

Otis Brubaker, the union's research director, said that if United States Steel Corp. last month had cut steel prices by \$4 a ton, it could not only have absorbed the cost of the union wage increase but gone on to earn "greater net profits after taxes in 1957 than were ever earned in the history of the corporation." The rest of the industry as a group could have followed suit "with similarly favorable results," he testified.

McDonald's Statement Given

A statement presented the subcommittee for Steelworkers' President David J. McDonald labeled as "utter falsehood" charges "by certain steel industry leaders" that the union was responsible for the price boost.

Increased productivity "justified higher wages and greater benefits for the employees and exerts no inflationary pressure," he said, adding that "economic disaster would result if labor did not strive to keep up with this increased productivity."

The subcommittee, headed by Sen. Kefauver (D., Tenn.), is studying the steel price increase and so-called "administered prices" in steel and other industries. The Senator has said the panel wants to find out what the public policy should be on "price fixing or price determination" that he said resulted in the steel industry from management judgment rather than reaction to supply and demand forces.

When the lawmaker asked Mr. Brubaker whether he felt the economy was going through an "administered inflation rather than a demand inflation," the union official replied it was definitely an administered inflation in the steel industry.

"Administered Inflation"

He said he wasn't sure about the rest of the economy, but there is an "administered inflation" for steel, aluminum, machinery fabrication, autos and other steel users. "They are able to administer their prices," he declared. "They are pyramiding their costs in their pricing, just as steel is doing."

The union statements were in contrast to last week's arguments of U. S. Steel Corp. executives, who contended wage demands outstripped productive efficiency, and profits

would have been wiped out if prices hadn't been raised.

Mr. Brubaker said steelworkers are producing 71.2% more steel per man-hour now than in 1939 while wage increases have gone up only 52.7%. "These facts are in sharp contrast with the fiction publicized by the industry in an effort to persuade the public that wage gains have outrun productivity gains," he declared.

Conceding that on occasion the union has demanded wage boosts higher than the percentage increase in productivity, the labor official said "this has been forced on the union because of a rising consumer's price level contributed to by the industry's pricing policy."

Steel officials should "refrain from insisting on all too frequent, unnecessary and inordinately large price increases so that there could be price stability," Mr. Brubaker declared. Then, he added, there would be no need for the union to attempt "to catch up constantly with a rising cost of living."

Sen. Wiley (R., Wisc.) asked whether the recent steel price increase would trigger a new wage demand by the union.

"We will not ask another wage increase as a result of the price rise," Mr. Brubaker replied. He said the union has a three-year contract running into 1959, and it had "no intention asking that it be breached."

"Good News" or "No News"

When Mr. Wiley said this was "good news," Mr. Brubaker replied that "it's no news at all."

U. S. Steel Corp.'s profits in the first quarter this year showed an "astounding percentage" of net profits, representing 15.1% of net worth, Mr. Brubaker testified, "and the latest \$6 price increase had not yet been applied." A 6% average is accepted as "fair and reasonable in accounting and financial circles," he said.

Steel price increases in the past year were "wholly unwarranted in view of the industry's already excessive profits," the union official charged.

Mr. Brubaker said the operating rate of steel companies is falling and demand "has softened considerably." In view of this, he said, "there is a grave question of public interest" posed by higher prices.

In a truly competitive situation under such circumstances, he stated, "it is customary for competitors to cut prices. Yet the industry not only has not cut prices, but it has raised them."

A Question Is Raised

The union representative said the present situation "raises the question as to whether the industry has chosen a course of restricted output at higher prices and more unemployment, as against the other alternative of lower prices, more production and more employment."

Mr. Brubaker also contended steel companies secure money for expansion of facilities through higher steel prices rather than "through the traditional methods of borrowing money or floating stock." Under this policy, he said, "the public pays the bill for the new plants, but the ownership title accrues to others—the present small group of steel stockholders."

Steelworkers officials are scheduled to testify again today. Representatives of Bethlehem Steel Corp. have been called to appear tomorrow.

Westinghouse to Recall 500 Workers in Ohio; Bell Aircraft Rehiring

MANSFIELD, Ohio—The Westinghouse Electric plant here will call back 500 workers by September 9, Dean B. Fighter, works manager, reported.

The recall follows the return to work of about 100 workers last week and is attributed to "a noticeable pickup in the appliance lines and the schedule for 1958 major appliances which have just gone into production," Mr. Fighter said.

By September 9 employment at the Mansfield plant will run about 4,700 Mr. Fighter announced. Early this year about 1,000 workers were laid off at the plant.

BUFFALO—Bell Aircraft Corp. disclosed it is recalling or hiring about 500 factory workers.

A Bell spokesman said about 300 former Bell employees already have been called back to work and another 200 will be needed.

The increase in employment follows a long series of cutbacks in which 2,300 or more Bell Aircraft employees on the Niagara frontier were laid off.

Additional assemblers now are needed, Bell explained, because of a "model change in a sub-contract project." Bell's principal sub-contracts involve the building of jet-engine housings for B-52 bombers.

Additional machine operators are required for work on a classified project, the company said.

NEW CASTLE, Pa.—Bossert Division of Rockwell Spring & Axle Co. is laying off 20% of its 500-man force because of a decline in business, the company said. The reduction will apply only until the auto industry turns to production of its 1958 models, according to the company.

Allied Chemical Granted ODM Fast Writeoff for Metropolis, Ill., Plant

WASHINGTON—The Office of Defense Mobilization granted fast amortization for tax purposes on a new plant under construction by Allied Chemical & Dye Corp. to cost an estimated \$11,410,000.

The facility, at Metropolis, Ill., will produce uranium hexafluoride for the Atomic Energy Commission. The O.D.M. action permits Allied Chemical to depreciate 80% of its investment in five years instead of the normal span, which is usually about 20 years. This has the effect of reducing the company's income taxes in the first five years of the facility's life but of increasing them later, assuming no change in tax rates.

Employers Group Firm In Boston to Set Up Life Insurance Unit

BOSTON—The parade of property insurance companies into the life insurance business has a new recruit—the Employers Group of affiliated fire and casualty concerns headquartered here.

Employers Group Associates, Massachusetts voluntary trust that owns two of the operating companies in the group, said in registering a projected rights offering of \$5,761 new shares of its stock that "a substantial part" of the proceeds would be invested in a new life insurance company. At the current over-the-counter price, this block of stock would be worth more than \$5 million.

E.G.A. would hold 51% of the life concern's stock. The remaining 49% would belong to Employers Liability Assurance Corp., Ltd., a London company that operates in the U.S. as part of Employers Group. Companies in the group are under joint management, headed by Edward A. Larner, U.S. general manager of Employers Liability, president of Employers Group Associates and president of three subsidiary operating companies.

Employers Liability, the British unit owns a little over 10% of E.G.A., the Massachusetts trust, and the latter in turn owns about 71% of the British company's stock. In its registration statement, E.G.A. "disclaims that it is controlled" by its English partner.

In the last year or two, several of the country's major property insurance companies have widened their sales field by setting up new life insurance subsidiaries.

Companies taking that step recently include: Insurance Co. of North America, Security Insurance Co. of New Haven, American Surety Co., Allstate Insurance Co., General Insurance Co. of America, United Pacific Insurance Co., American Casualty Co., and Citizens Casualty Co. Two of the largest automobile insurance concerns, State Farm Mutual Automobile Insurance Co. and Nationwide Mutual Insurance Co., have had life affiliates for more than 20 years.

Higher Auto Insurance Rates in New York Still "Under Consideration"

State Agency Weighs Scheduling Public Hearings; Proposal Was Submitted Three Months Ago

NEW YORK—Company applications for automobile insurance rate increases in New York State, filed with the State Insurance Department nearly three months ago, are "still under consideration," according to Leffert Holz, state insurance superintendent.

Also under study, Mr. Holz said, is the question whether a public hearing shall be held before he acts on the application. Such a hearing is not required by law, but the insurance superintendent has authority to hold one if he chooses.

This word on the New York auto rate situation came as New Jersey's State Insurance Department opened hearings in Trenton on a similar rate boost proposal in that state.

The first witness there was James M. Cahill, secretary of the National Bureau of Casualty Underwriters, representing stock insurance companies. He said the auto liability rate increase asked would average 17.4%—22.5% on bodily injury claims and 9.6% on property damage. Asserting that heavy losses last year on automobile insurance and even worse ones this year justify the higher charges, he noted that 42 states have granted rate increases so far this year.

The exact amount of rate increase sought in New York State and the way it would affect different areas in the state have not been disclosed, since both the inter-company rating bureaus concerned and the State Insurance Department have declined to give out figures and details of the proposal.

Some unofficial estimates have put the over-all average boost at 16% to 18%—an amount that would conform fairly closely to

the increases already put into effect in some other populous states.

Reports from Trenton said the hearing opened there is a rare procedure for the New Jersey Insurance Department, which ordinarily passes on rate change applications after an investigation of its own.

Claims incurred by all stock insurance companies in New York State last year aggregated 69.8% of earned premiums for automobile bodily injury liability and 54.3% for property

damage liability, according to figures compiled by the State Insurance Department.

For mutual companies these ratios were 58.2% and 49.9%, respectively. As operating expenses, exclusive of Federal income taxes, run about 48% for stock companies and 40% for mutual firms, the claim figures indicated the companies, viewed in the aggregate, lost money on their auto insurance business in New York last year.



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